

The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, OCTOBER 2, 1931



First Policy Issued In September 1851

On its Eightieth Anniversary, the Phoenix Mutual Life Insurance Company of Hartford, Connecticut, re-affirms its belief in the simple, logical principles upon which its progress has been built. Each passing year has deepened the conviction that (1) adequate service to the public can be accomplished only through men carefully selected and thoroughly trained, and (2) that such representatives will uphold the high standards of the Company and make the greatest contribution to the welfare of its policyholders.

The Phoenix Mutual will continue to build its field organization of carefully selected and thoroughly trained men. It will continue to support them liberally with advertising and other selling aids. Its purpose is to enable them to enjoy the generous rewards made possible by quality business and the most efficient use of time.

That is why Phoenix Mutual service will always be attractive to business men of outstanding ability and discernment.

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If you possess qualifications necessary to
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perfectly met through a Continental National
policy.



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The CONTINENTAL NATIONAL LIFE INSURANCE CO.

Chas. E. Becker, President

CONTINENTAL OIL BUILDING

DENVER, COLORADO

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Fifth Year No. 40

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 2, 1931

\$3.00 Per Year, 15 Cents a Copy

President's Group to Convene Soon

Ecker of Metropolitan to Be Chairman of Silver Anniversary Gathering

SELF - RELIANCE KEYNOTE

Manager Wight Lays Background for New York Meeting of Life Executives Oct. 10-11

NEW YORK, Oct. 1.—Frederick H. Ecker, president Metropolitan Life, will be the chairman of the silver anniversary convention of the Association of Life Insurance Presidents. He will sound the keynote of the sessions, which will be "Progress Through Self-Reliance—the American Plan." The convention will be held in New York City Dec. 10-11.

The total life insurance in force in all United States legal reserve companies went ahead \$1,250,000,000 the first six months of 1931 according to an original survey recently completed by the Life Presidents. The association made this mid-year inquiry to determine the double effect of the slackening in new business production and the increased lamination of policies on the total volume of life insurance in force, due to the retarding influences of general business recession. It is estimated that the total life insurance in force at the end of June this year exceeded \$109,250,000,000.

In announcing plans for the convention Manager George T. Wight said:

"American progress, both in Canada and the United States, has been largely the result of the individual initiative of a people generously endowed with the spirit of self-reliance."

Barometer of Self-Reliance

"Life insurance itself is a barometer of self-reliance. The amount of new protection written mirrors the desire of human beings to be self-sustaining. Payments to policyholders and beneficiaries measure the fruits of personal foresight. The total amount of insurance in force,—growing so rapidly in the last 25 years,—evidences adherence to the ideal of fostering security through individual effort. Reflecting the self-reliance of its policyholders, life insurance thus is a measuring rod of the very progress of the people."

"Without doubt, the world's present economic disability is not total and permanent, but only partial and temporary. In the belief that through the exercise of the traditional spirit of self-reliance will come the restoration of economic health, the time seems opportune to review the past and to consider the future in relation to this fundamental quality. How self-reliance, as revealed by life insurance and other business indices, may be directed towards the solution of present human and economic problems will

(CONTINUED ON PAGE 20)

Simple Waiver of Premiums

Metropolitan Life Announces That on January 1 It Will Write No More Income Disability, But Will Return to the Old Clause

NEW YORK, Oct. 1.—The Metropolitan Life has notified its superintendents and managers that it will discontinue writing disability income insurance after Jan. 1. Premium waiver will be retained, although not on exactly the same basis as at present. Similar communications were sent to a number of representative life companies and to the New York department, stating the position of the company on disability insurance. In notifying its field force the Metropolitan called attention to disability losses under present rates and provisions. It stated that while it might be possible to write disability income insurance by altering the provisions and raising the rates it believed that with such radical modifications it would lose practically all its sales appeal.

Not In New Business Campaign

The company warned its agents that its decision to withdraw from the disability field is not to be taken as signal to go out and campaign for new business on the strength of the limited time during which the contract can be written, and that underwriting on disability will be held to a very strict standard. It was the general experience of companies that in the rush of business put on the books before the new standard clause went into effect in July, 1930, the selection was strongly against the companies.

The company's letter did not go into details to any extent, it stating that a circular letter would be sent out giving all particulars. Pending the issuance of the forthcoming circular letter the company would not make any amplification of or comment on the information contained in the communications which have already gone out.

Others Likely to Follow

Many who have been following the disability situation believe that the Metropolitan's action may precipitate or at least hasten the eventual outcome of this puzzling problem. It is rumored that two large companies are on the point of abandoning disability and that another is as yet undecided whether to keep on writing it or not. Another, the Equitable Life of New York, said that it had no announcement to make on the disability question.

Some Companies to Continue

While a number of companies undoubtedly will follow the course pursued by the Metropolitan Life now that the ice has been broken, it will by no means be sure that there will not be a number of companies continue writing disability largely because of the sales appeal and the thought in mind of some officials that it has a legitimate place in the life insurance contract. Undoubtedly most officials would like to get back to the simple waiver of premium clause but the sales pressure is strong. The field men by and large favor the clause. Nevertheless many companies have had

a disastrous experience and rather than take more drastic steps in order to continue writing disability will probably return to waiver of premium.

The Metropolitan in a letter to companies with which it has reinsurance agreements states that it will take no further reinsurance involving disability and intimates that even with the waiver of premium it will be very strict on the four months waiting period and from its letter officials are disposed to think that it will ultimately require the six months period. The action of the Metropolitan certainly will have a sweeping effect on the minds of many officials of other companies.

Ecker Urges Moderation

The Metropolitan's letter, which is signed by President Ecker, urges managers to review carefully all applications for disability benefits and to reduce to a minimum the applications for such provision submitted during the balance of the year.

"Instructions have been issued to the ordinary department," the letter states, "to make their underwriting strictly conform with this procedure."

It is understood that the Travelers will go back to simple premium waiver and an announcement to this effect is expected before the first of the year. It is rumored that other prominent companies will take similar action but there is a general reluctance to make any preliminary announcements.

Group Life Payments This Year More Than 93 Million

HARTFORD, Oct. 1.—The families of more than 62,000 American workmen will receive this year more than \$93,000,000 as benefits under group life insurance, according to an analysis of payments by Vice-President B. A. Page of the Travelers. Payments this year exceed similar disbursements last year.

About \$74,000,000 of the payments will be made, according to the statement, as the result of the death of 49,000 workers. The death by accident of 6,000 workers will result in the disbursement of \$9,000,000 in benefits, while permanent total disabilities suffered by 13,000 employees will require the disbursement of more than \$19,000,000.

Figure Now \$10,500,000,000

Fully 7,000,000 employees in approximately 30,000 business establishments are insured for \$10,500,000,000 of group life insurance, it is said. Total claims paid since the inception of such plans and including this year are estimated at more than \$440,000,000. This amount includes \$59,000,000 because of permanent total disabilities suffered by more than 41,000 workers and \$385,000,000 because of death of 277,000 workers, of whom 32,000 have died because of accidents.

Pittsburgh Meet Sets a High Mark

Thirst of Men for Inspiration, New Philosophy Is Well Satisfied

INVESTMENT IDEA TAKES

New Side Shows Added—Political Puzzle Happily Solved—Unable to Make Duff Trustee

Conventions of the National Association of Life Underwriters are traditionally the most serious minded and earnestly attended of any of the gatherings of insurance men. This year at Pittsburgh the feeling of earnestness was intensified. Nearly 1,800 men went there to get a rebaptism of faith, to get a selling philosophy and sales hints keyed to this critical day, to get inspiration.

The hunger of these men was abundantly satisfied. The theme, "Life Insurance—the Structural Steel of Estate Building," expressed a dignified, virile, and stimulating conception of the function of insurance today. To John W. Yates, Detroit, Massachusetts Mutual, goes the credit for the conception.

Spirit Is Maintained

Every one of the speakers maintained the spirit of the theme. There was an absence of guff, evangelistic nonsense and boasting. The advice was practical, usable, and well weighted and the inspirational stuff was well directed. Each of the two days when sessions were held all day was given a somewhat lighter conclusion. On the first day A. E. N. Gray of the Prudential offered some real constructive material, but interspersed some "wise cracks" which sent the crowd away in a good humor and Josh Lee accomplished the same end at the concluding session.

Perhaps the second day's program made the greatest impression. The speeches were well integrated. Life insurance as an investment was presented profoundly from every possible angle. There was no session that afternoon, so that the members carried away one very definite idea, developed comprehensively. The speakers were Abner Thorp, Jr., editor "Diamond Life Bulletins"; Arthur F. Young, Guardian Trust Company, Cleveland; W. H. Hackleman, Indianapolis, Massachusetts Mutual; G. T. Stephenson, president trust company division, American Bankers Association; W. A. Irwin, Washburn College, Topeka.

Incidentally the program was conducted without a change. Every speaker was on hand.

Decision to continue for another year at least the managers' and the supervisors' sections were interesting developments. Both of these innovations

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New Edition of Time Saver Will Be Out Early in 1932

WILL HAVE STANDARD FORMS

Accident and Health Book of Policies Delayed Two Months to Include Changes

The next edition of the Time Saver, the annual publication of The National Underwriter Company showing analysis of accident and health contracts issued by more than 90 of the leading companies, will be published early next year. The plan now is to make delivery to purchasers about Feb. 1.

Include New Bureau Policy

Ordinarily the book would be published in November. Publication is postponed this year in order that the new edition may contain an analysis of the contracts of companies belonging to the Bureau of Personal Accident & Health Underwriters in the standard form suggested by that organization for its members. While not all of the bureau companies will have the new program ready for use Jan. 1, 1932, many of the leading companies will have made the change by that time. Subscribers to the Time Saver then will have in their hands early in 1932 a book which for the leading company members of the bureau will be up to date for that year.

Up to Date on All Policies

For those who desire to keep the policy information strictly up to date, The National Underwriter Company issues the policy analysis section of the A. & H. Bulletins, a monthly loose-leaf service. The issue of this service sent out late in September required 64 pages to take care of new policies issued and changes in old contracts. The Zurich General was the first company to make use of some of the standard clauses adopted by the bureau and the new policy program of the Zurich was included in the September issue of the Policy Analysis section. As rapidly as other companies make policy changes to accord with the bureau program, these changes will appear in that publication.

Actuarial Society Dates Set

The Actuarial Society of America will hold its annual meeting at the Greenbrier hotel, White Sulphur Springs, W. Va., Oct. 15-16. R. D. Murphy, secretary of the society, has announced.

Takes Advantage of Other Agents Suspending Work

It's Israel Kaplan, general agent of the Mutual Trust Life at Boston, speaking: "I'm writing more business this year than I did in 1930, and the main reason for that is that I've got more territory to work in."

"Is that so? I didn't know you had more territory. What new territory have you?"

"No new territory, but more territory."

"Well, what do you mean by that?"

"What I mean is that a lot of agents in Boston have cold feet. They are scared. They have stopped working. But I haven't. I'm working harder than ever. I'm getting a lot of business from people that those other agents would have sold if they were still working. So many agents have practically quit working that I feel I have a lot of territory to myself that used to be full of competition. My competitors have just made me a present of it. That's what I mean."

Men on Firing Line Contribute Ideas on the Disability Issue

C. L. Barbee, special representative for the Bankers Life of Iowa in Kansas City, has composed some thoughts from the field man's viewpoint on disability. He believes that the greatest care should be taken in selling the benefit that the assured is disabused of the notion he is buying health and accident insurance. Mr. Barbee writes:

"Insureds with the total disability clause are prone to think that they have a health policy. Too much care can not be taken in the original sale, to specifically explain the difference between total disability and health insurance, the total disability to cover the important phase of economic death; the health policy with its wider field of coverage with a premium rate from three and one-half times as large, being a separate and distinct entity.

"If this explanation is universally made by the underwriter, we will not have so many unjust claims to contend with and if a real description of the function of total disability was made by the agent, everybody would start with a fair understanding. Anything short of an exact description is not only shortsighted, but utterly unfair to a trusting insured.

Not Cautious Emptor

"Ours is not a business of 'Caveat emptor.'

"You can hardly blame the field man in the past for treating this total disability clause lightly when the home offices have done likewise. We can all agree that the rate prior to June, 1930, was inadequate. The point has been made that much of the losses have resulted from such inadequate rates.

"Much new business has come from the total disability clause that might have not been effected without such a clause. The sales resistance to an increase of insurance has been greatly lessened by virtue of this clause; while this is an intangible, we field men know it has been a considerable factor.

"Personally, I feel that from a competitive standpoint, some companies have made the disability clause so liberal that this feature has been stressed by the underwriter as paramount instead of the fundamental one of an absolute claim being paid some day and with all of the fine collateral features of estate building and a sinking fund along the way.

Feeling Way as to Rates

"As to the inadequacy of the present rates—I do not know, and neither do the actuaries seem to know. We are probably feeling our way."

"I believe I express the complete views of the men on the firing line when I say that most of us will—with good sportsmanship—abide by the ultimate decisions of our companies.

"If total disability claims will so impair our surplus as to reduce our dividend scales, my opinion is that we should eliminate this clause—save for the premium waiver. Certainly if the disability premium does not pay its own way, it becomes discriminatory to our patrons who do not have it in their contracts.

"All of us—home office and field men—have been shocked at some recent court decisions; not only as regards the total disability but the double indemnity. Such action from courts could not have been forecasted; though it has been feared by some."

"We life men should be jealous of the fair name of our business standing and if we are to be victims of racketeering from judges and juries and dishonest claimants, in a considerable number, both the total disability and double indemnity should be stricken from the contracts of life companies.

"Like Caesar's wife—we should be above reproach."

The following communication is from Walter I. Easly, Detroit manager for the Central Life of Iowa:

"I have been a steady reader of THE NATIONAL UNDERWRITER for a number of years and I wish to say that there are many features about THE NATIONAL UNDERWRITER which I admire.

"The many articles on the disability appearing in each issue for several months raise the question in my mind whether or not THE NATIONAL UNDERWRITER is engaged in a campaign designed to eliminate the income disability and whether it is influenced by those companies who have always opposed the income feature.

"If the purpose of your journal in publishing these articles is to conduct an open forum I venture that many field men will be glad to contribute their views, which will tend to cause some of our company executives to be at least consistent in making their company practices correspond with their views.

"Personally I have some very definite ideas on the disability and feel that much of this adverse criticism is unwarranted."

B. W. Brant's Views

B. W. Brant, Nevada, Mo., general agent for the Central States Life of St. Louis, writes as follows:

"I have been watching with interest the articles and reports appearing each week in THE NATIONAL UNDERWRITER on the disability income question.

"While anything that I might say in connection with the subject would have no bearing or influence in the securing of a solution for the problem, it is very likely that the combined opinions and suggestions from a lot of field men of various capacities would assist the home office executives materially in arriving at a proper solution.

"It is apparent that a change must be made in some manner and degree. My opinion is that the solution lies within the four proposals as listed in your issue of Sept. 11, eliminating the idea of completely abandoning the provision. It appears to me that the best plan would be to reduce the maximum age limit for issuing the benefits, also for the commencement of benefits under the provision and an increase in rates. For illustration reduce the maximum age for issuance from 55 to 50 and the maximum age for commencement of benefits from age 60 to 55. Then increase the rates for the balance of the deficit as experienced by the various companies.

"This would solve the problem and at the same time not detract from the benefits of the provision. I can't see where in the lengthening of the waiting period would be of much value to the companies, at least two months wouldn't and any longer period would kill the effect. To cut the benefits 50 percent would cause the small policyholder to look with great disfavor on the provision, since he is limited to about \$5,000 of insurance on an average. No doubt as further relief, a lot of companies could be more cautious in issuing the benefit."

Toombs Given New Sentence

R. C. Toombs, former president of the defunct International Life of St. Louis, has been sentenced to serve another two years in prison for his manipulations of the affairs of the company, this time on a charge of using the United States mails in an alleged scheme to defraud.

Less than eight weeks before Toombs had been released from the Missouri state penitentiary at Jefferson City, Mo., after serving 17 months under a three-year term for having caused the issuance of a certificate of stock for 3,000 shares of International Life stock in excess of the legal limitations of the corporation under its charter.

Can Annuity Business Be Written to Show Profit?

DEMAND STEADILY GROWING

Increase in Volume May Tend to Improve Experience—Declining Returns on Investments Unfavorable Factor

NEW YORK, Oct. 1.—The constantly growing demand for annuities of one sort or another is likely to settle definitely the much discussed question of whether or not annuity business is in general profitable. Some companies have come out ahead on this class of business. Others, writing it at substantially the same rates, have not.

The type known as the deferred annuity presents the greatest possibility of being sold unprofitably, as it depends to a greater extent than others upon the company's ability to maintain its expected return on its investments. In this form of contract there is a lapse of a number of years during which the amount deposited at the beginning must build up to the amount which must be on hand at the date payments are scheduled to start.

Luckily very little of this class of business has been sold and there seems to be little likelihood that its popularity will increase appreciably. Nevertheless, it is almost certain that companies writing it will raise rates or give less return per unit.

Two Major Possibilities

Two major possibilities confront actuaries of annuity-writing companies. One is that a large increase in annuity volume may so diminish the selection against the company that a more profitable experience will result. The other is that declining returns on investments will cause present rates to be found inadequate.

Where experience has been broad enough to be much of a guide, it has appeared that annuitants as a class have an uncanny faculty for being justifiably certain that they are going to outlive their expectancies. The security of their investment and the assurance that they will be provided for in their old age have been inducements to their buying annuities and have very likely increased their life spans by affording peace of mind, yet it appears that in very many instances they foresaw that the more would be more profitable for them than for the average.

Participation Has Difficulties

Assuming adequate rates, it is reasonable to suppose that the business can be made a good deal more profitable if it is actively pushed by the field and if annuitants buy not so much to make more on their investments than the company intended as to provide security of income and tranquility of mind in their old age.

It might be thought that one way to give high returns on annuities and yet keep rates adequate would be to make them participating but actuaries have found certain practical difficulties in the way of this, even for purely mutual companies.

Medical-Actuarial Group Is to Meet in New York

NEW YORK, Oct. 1.—The joint medical-actuarial committee on large risks, of which Actuary J. D. Craig of the Metropolitan is chairman, will meet this week at the Metropolitan Life building. The committee has been continuing its studies during the summer months, covering thousands of cases involving many millions of dollars of insurance. Its report at the approaching meeting will undoubtedly throw much additional light on the perplexing problem of jumbo risk mortality.

See Great Growth in Group Pensions

General Adoption May Await Business Revival but Some Cases Are Now Being Closed

GROUP LIFE PAVED WAY

Popularity of Group Accident and Health Also Makes Further Development in Same Field Logical

NEW YORK, Oct. 1.—Based on the records of group life and group accident and health insurance, predictions are made by group men that group annuities are due for a tremendous increase in popularity in the not so distant future. While general adoption of such plans will probably await the return of normal business conditions, it is likely that there will be a number of large representative employers that will anticipate the trend of the times. The Standard Oil of New York, through the Metropolitan Life, has already inaugurated such a plan.

The undoubtedly soundness of the group pension idea would not in itself give insurance executives any exaggerated notions of its saleability, for the progress of the simpler and less expensive group life plan was slow in its early years.

Way Paved by Group Life

Once the group idea had been sold to American industry, however, it was a relatively easy matter to popularize any other desirable and worth-while plan embodying the group principle. The result was the phenomenal rise of group accident and health insurance, which in a very short time was being written on a scale comparable with group life.

It is because the way has been so well paved by group life and accident and health that such general acceptance of group pensions is expected.

Many firm believers in group insurance consider that the absence of a pension feature is a serious flaw, for it leaves it entirely up to the employee to provide for his old age, unless some company plan is in force, which may or may not be on a sound actuarial basis. Where pension funds have been set aside it has frequently happened that investments were made in the company's own stock, making the fund subject to the fluctuations of the employer's business. The complete breakdown of such funds is not unheard of.

Burden Light for Both

Under a system of group insurance including old age pensions, the burden is light, both for employer and employee. To the latter it is more than enforced thrift, for the employer nearly always contributes a share to the fund. In fact, the general practice among the leading group-writing companies is not to sell annuities except on such a joint basis.

The cost depends on the plan adopted and the age distribution of the employees. To inaugurate such a plan would be more costly to a railroad, where the average is high, than to an automobile company, in which the ages run younger.

There is a first-cost factor to the employer in the adoption of a group pension plan which is not present in group life or accident and health. This is the accumulated liability which has been building up ever since the oldest employee in point of service has been at his job. Usually this cost is met by the employer, as it was under the Standard Oil plan, as it would be unreasonable to

Disability Question May Go to Presidents' Meet

NEW YORK, Oct. 1.—At least four of the leading life companies of the country will recommend to the Association of Life Insurance Presidents in annual session here in December that income disability be discontinued and that the benefit be limited to waiver of premium. This prediction is not confirmed but the city is accepting it as true. Representatives of these four companies have been unequivocally opposed to income disability and have been busy for months trying to create sentiment among competitors in favor of eliminating income disability coincidentally and giving the accident and health business back to the accident and health companies. Unanimous action is not

expected in December. Opposition to elimination of income disability is inevitable. Some of the largest companies are in favor of obtaining longer experience. That school will argue that cessation of the benefit would be hasty at this time; that the public has been educated to want it and that radical action would be premature. Whether or not the life presidents take action on the proposal, and incidentally there is question as to how the proposal would come before the meeting, the rumor is that sponsors will individually cease to offer the benefit.

These companies, according to rumor, feel that committee meetings have been held, forums have been conducted,

money has been lost, and that further experience can only be more costly. They are ready to cut off the income feature the first of the year.

Of course before the life presidents meeting, there may be back stage work, which will keep the question from the executive session, but at the present writing some of the most powerful interests are determined to carry it there.

The announcement of the Metropolitan this week that it will return to the simple waiver of premium clause Jan. 1 may lead other companies along the same line so that it may not be necessary to make an appeal at the time of the presidents' meeting.

Arrangements Completed for Missouri Insurance Day

E. J. Schofield, vice-president of Globe Indemnity, has consented to represent casualty insurance on the program for Missouri's third annual insurance day to be observed at Jefferson City, Oct. 13. As previously announced, Col. C. B. Robbins, president Cedar Rapids Life and of the American Life Convention, will be the life insurance speaker, while fire insurance will be represented by John F. Stafford of Chicago, western manager of the Sun.

Governor Caulfield, who was to have spoken at the banquet Oct. 12 under the joint auspices of the Missouri Association of Insurance Agents, Missouri State Fire Prevention Association, the Blue Goose ponds of St. Louis and Kansas City, the Great and Jovial Order of Cats Meow, and the local Life Underwriters Associations of St. Louis and Kansas City, has found that it will be impossible for him to be present. Instead Lieutenant Governor E. H. Winter will address the gathering. J. B. Thompson, superintendent of insurance for Missouri, will also speak at the banquet.

On Oct. 12 the thirty-second annual convention of the Missouri Association of Insurance Agents will be held at the Missouri Hotel, Jefferson City, while meetings of the Cat's Meow, the Blue Goose and Missouri State Fire Prevention Association will also be held.

Promote Safety in Advertising

The John Hancock Mutual Life, through H. H. Putnam, manager of its publicity department, is sponsoring highway safety in its advertisements. Mr. Putnam reports that if manufacturers and advertising agencies would include an accident prevention message in their advertising it would have a beneficial result. The safety movement originated at the Insurance Advertising Conference a year and a half ago and since then several companies have co-operated, including the Travelers.

expect that any large number of employees would have accumulated enough in the way of savings to make their share of the contribution needed to start the fund.

May See Weeding Out Process Soon

General Agents Demanding Quality Rather Than Quantity These Days

IS DIFFICULT PROBLEM

Small Producer of Fine Business Is Shown Favors, But Otherwise Often Is Liability

NEW YORK, Oct. 1.—Predictions are that when business gets back to normal there will be a good deal of weeding out done by general agents among their full-time men whose business is not up to par both in quantity and quality.

With conditions the way they are it is difficult to judge an agent's record. The volume and persistency of his business may come back when times get better, while the man at the next desk, with the same present record, may show no improvement whatever under more prosperous conditions.

Quality Is Paramount

Although managers find there is a certain minimum volume per year a man ought to pay for to make it worth while to keep him under contract, they believe that the quality of his business is of far greater importance.

One of the ablest general agents here does not hesitate to let a man go if the quality of his business is poor even though his production may run close to a million a year. On the other hand, the man who pays for less than \$200,000 may be kept on if the quality of his production shows promise of improvement.

There is a keen realization, particularly here in New York, that the small producer who remains only a short time with an agency is an expensive proposition. His business is usually a liability rather than an asset, for in most cases it has an extremely high lapse rate. The expense of acquiring and training him is out of all proportion to his value.

Still Consider \$200,000 Good

This is not to say that the hard working, conscientious and quality-producing \$200,000 a year man is not an asset to whom any agency would be glad to give office space.

As one agency supervisor said, "I would like to get 25 of them. And I'd like to see any general agent that would turn down a man like that if you walked him in there."

The man who writes a million dollars of business a year is not necessarily five times as valuable as the \$200,000 man, many general agents feel. Big producers demand, and rightly, a good deal more in the way of service and privileges than those whose business does not mount into the higher brackets.

Millionaires Often Temperamental

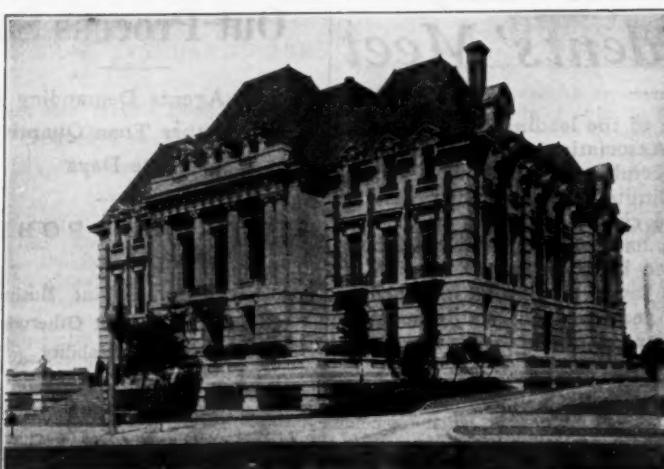
The bigger producers are often difficult to handle, as harassed agency supervisors can testify. They acquire "prima donna" habits. They work when they feel like it. While it is true even on the golf course they are prospecting, making valuable contacts and doing indirect soliciting, in many cases they set an example dangerous for the mine run of agents to follow. Their methods are personal, well suited to their own temperaments and ability, but are not necessarily susceptible of successful imitation by others.

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FREDERICK H. ECKER
President Metropolitan Life

Mr. Ecker will be chairman of the Association of Life Insurance Presidents' 25th anniversary convention Dec. 10-11 in New York City.



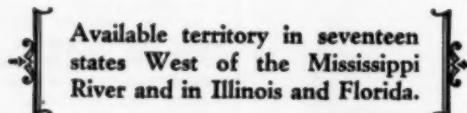
New Home Office Building

A Complete Life Insurance Service for a Modern Age



We Offer

- Policies all ages, 1 day to 70 years.
- Both Participating and Non-Participating.
- Non-Medical—Sub-standard.
- Disability, Dismemberment and Surgical Benefits.
- Special Monthly Premium Payment Plan.
- Double Indemnity.
- Children's Policies with Beneficiary Insurance.
- NEW FAMILY INCOME PROTECTION POLICY.
- Sales Planning and Circularizing Department.
- Producers' Club.



WRITE DIRECT TO HOME OFFICE



Central States Life Insurance Company

James A. McVoy, President

HOME OFFICE: SAINT LOUIS

Fidelity Life, Birmingham, Sold to All States Life

MERGER MAY COME LATER ON

Fidelity to Be Continued for Present—
President J. M. Corr Joins All
States Agency Department

MONTGOMERY, ALA., Oct. 1.—Announcement of the consummation of an agreement of purchase of all the stock of the Fidelity Life of Birmingham by the All States Life of this city is made by Ben W. Lacy, president All States. E. R. McDavid, chairman of the board, and John W. Corr, president Fidelity Life. The purchase was contingent on the depositing of two-thirds of the Fidelity stock, which was effected Monday. All other stock will be purchased at the same price, understood to be around \$10 per share, if turned in by Oct. 21.

The Fidelity Life was organized about four years ago by Mr. McDavid and his associates and is licensed in the Alabama and Georgia. Its last annual statement showed \$245,000 net assets, \$196,891 surplus for policyholders, including \$176,430 capital, and insurance in force \$2,696,587. It is understood that all of these figures have been increased by the operations of the company this year, and that the insurance in force is considerably in excess of \$3,000,000.

Mr. Lacy expressed his satisfaction in executing the contract with Mr. David, as for 15 years they have been warm personal friends. Mr. McDavid was formerly secretary of state and insurance commissioner of Alabama, thereafter president of the Alabama National, and for a time vice-president of the Protective Life. Mr. Lacy was also vice-president of the Protective Life before becoming president of the All States Life on its organization in 1929.

Mr. Lacy stated that definite plans have not yet been made, but that the All States Life through its officers and directors will operate the Fidelity Life vigorously for the present, but undoubtedly Mr. Lacy's plans include the merging of the two companies at the earliest consistent moment. The agents of the Fidelity Life will continue under their present contracts for the present. John M. Corr, formerly president of the Fidelity Life, will be associated in the agency work of the All States Life. He was formerly agency director of the Protective Life and of the Alabama National. He had previously been with the Lincoln Reserve, the Aetna Life and the Equitable.

Decide on "Ad" Section at Pittsburgh Luncheon Oct. 8

The question of whether the American Life Convention, which will meet in Pittsburgh Oct. 5-9, will organize an advertising section is to be decided at a luncheon Oct. 8. A number of advertising managers for American and Canadian life companies will be present as well as other company executives. Lorry A. Jacobs, director of public relations for the Southland Life, Dallas, Tex., will be chairman. Speakers will be E. T. Leech, editor Pittsburgh "Press," and F. A. Arnold, director of development National Broadcasting Company, whose subject will be "These Changing Times."

George Kabureck Indicted

Four true bills, charging embezzlement of company funds totaling \$26,165, have been returned at Springfield, Ill., against George Kabureck, head of the Commonwealth Life and two subsidiary organizations. He was arrested a week ago and held under \$10,000 bail pending the grand jury investigation.

Lamar Life Loses Two Executives in a Month



C. W. WELTY

C. W. Welty, president of the Lamar Life, who died last week while undergoing a blood transfusion in an effort to save his life after he had been stricken by paralysis, had been with that company for 25 years. He began as assistant secretary shortly after its organization, was advanced to secretary, agency manager, vice-president, general manager and president.

About two weeks before, H. S. Weston, chairman of the board and former president, died. The company thus lost two of its executives in September.

New Speakers Are Added to Advertising Men's Program

Three new speakers, who are experts in as many branches of advertising, have been added to the program of the Insurance Advertising Conference Oct. 4-7 in Toronto.

W. P. Burn, eastern manager, American Newspaper Publishers Association's bureau of advertising, will speak at luncheon Oct. 6 on "Insurance and Advertising."

C. C. Parlin, head of the "Saturday Evening Post's" research department, will speak Oct. 7, and at the opening session Arthur Lisner, Toronto School of Art, will talk.

Canada Seeks Investment Data

The Canadian insurance department has asked insurance companies to furnish a list of securities purchased or held as collateral since the first of the year which will appear in Canadian annual statements. The information is sought so that the financial data in the annual statement can be completed at an early day. The companies are also asked to keep their information up to date and send in weekly reports until Jan. 1.

Attention, Agency Officials!
If you could find an outstanding man for the job—

Would you create a sales promotion, sales research and educational department for the service of your agents, or enlarge your present department? A life insurance publicity man who has won unusual recognition for his work will be available January 1. He is an enthusiasm builder, idea man, able writer, mobilizer, well educated, energetic, clean record, 15 years of successful experience. Especially qualified for work of preparing sales courses and literature, securing publicity recognition, developing leads and direct mail program, and stimulating salesmen. Find out more about this man by addressing U28, The National Underwriter.

HORATIUS WON

out because he
CONCENTRATED
on one point!

YOU too can win out if you concentrate your advertising by distributing National Underwriter Insurance Calendars only to prospects who you know have money to buy insurance. There is no waste in calendar advertising. Every calendar is on the job for you 365 days a year helping you sell insurance.

Exclusive Franchises Granted

You can secure the exclusive franchise to use the new National Underwriter 1932 Insurance Calendar in your city if you act immediately. It is designed by insurance advertising experts especially to fit the selling needs of insurance men and has a seasonal appeal for each month.

Twelve Timely Pictures

There are twelve timely rotogravure pictures and sales arguments—making twelve calendars for the price of one. The twelve sheet pad is mounted on a 15/2 by 9 inch colored back. Your name is imprinted at the top where it strikes all eyes. Calendars are the most economical and effective form of advertising for insurance men and these special insurance calendars will aid you greatly in increasing your premium income and keeping your name and business before your clients in 1932.

The National Underwriter
A-1946 Insurance Exchange

Chicago

Sanity Declared Paramount Need in Face of Depression

PERSPECTIVE NOW ESSENTIAL

Minnesota Mutual President Urges Balance in Thinking, Points to Previous Cycles, Recoveries

A plea for sane planning of a lifetime of business as it may come and for proper perspective in relation to the so-called depression is made to agents and staff of the Minnesota Mutual by President T. A. Phillips in an open letter.

"At the moment," he states, "the most notable subject of discussion is the current business depression. One hears constantly that this is the worst panic in our history, that it is world-wide, the first of such general scope, that conditions are so terrible as to invite fears of collapse. It has been most interesting to me, however, to observe how current conditions have brought out and emphasized the变ability of human nature.

Decries Calamity Howlers

"The same men who in 1928 proclaimed panics and business cycles as things of the past, and that they were going to ride to prosperity by buying 'equities' in this great United States of ours, are now crying the loudest about world panic, and fear ruin for the very same business structure which three years ago was to bring permanent and world prosperity.

"It is not my purpose to minimize the effects of business depression—nor to prop up when recovery will occur. My plea is for 'perspective' in our thoughts and that we align ourselves with the great majority who think sanely and plan a lifetime of business as it may come.

"In passing, however, we might note—by thinking sanely—that this is not the worst panic in our history. In 1893 there were 160 railroads which became bankrupt, Union Pacific stock sold at \$4; Northern Pacific at 25 cents per share; labor unrest was so great many people felt anarchy had arrived, and money was so scarce it could not be obtained at any price.

Conditions Not Bad

"The significant differences today are that despite much distress, failures in proportion to aggregates are fewer, money for credit purposes is ample, and labor classes on the whole are in much better position.

"We need more perspective and balance in our thinking. For example, we should be impressed less by the newspapers which, under the name of news, record daily events for what excitement they can stir. I am convinced that the only way to act is in terms of years—to take our position for a 'pull' of several years and in the meantime keep our mental balance, and pay as little attention as possible to the 'daily' disturbances.

Great Stabilizing Force

"There is I believe no greater stabilizing influence to general business than that furnished by life insurance—it does not go to the extreme heights and depths of most other lines. Likewise, the agent in his own community has an important influence for stability.

"Neither company nor agent need fear their future in business life. Each can and will have a permanent, stable and satisfactory business if we hold our perspective and balance, take our position for a period of several years, and in the meantime 'do what we can, with what we have, where we are.' There is no real cause for discouragement in the life insurance business as it is today."

The Northwestern Union Life, Ottawa, Ill., ended the first six months of this year with a 7 percent increase



'GOOD SHIPS: Only "stormy weather" really tests the safety of ships and financial institutions. Well-managed life insurance companies have come through every "storm"—every test—safe and staunch. For example, for 86 years, since it was founded in 1845, New York Life has weathered all Wars, Epidemics and Financial Crises:—The Mexican, Civil, Spanish-American, and World Wars;—The scourges of yellow fever, cholera and influenza;—The panics and depressions of 1857, 1861, 1865, of the 70's, of 1884, 1893, 1896, 1903, 1907, 1914, 1920-21 and 1929-1931. In all these years New York Life has never failed to meet an obligation.

NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, Madison Square

New York, N. Y.

N^WNL
General Agents
 have been
Selected
 with the
Greatest Care

N^WNL wants for general agents, only those men who have the capacity to build substantial agencies. It is a company for which large agencies can be built, as has been proven repeatedly. Candidates for new general agencies are carefully selected. No one is appointed to such a position of authority and responsibility until he has visited the Home Office in Minneapolis.

Perhaps this explains why **N^WNL** has fewer general agencies than any company of its size—and more big ones. To a remarkably great extent **N^WNL** agencies are either big or on their way to substantial size. A general agency contract with this company is a valuable franchise.



**NORTHWESTERN NATIONAL
 LIFE INSURANCE COMPANY**
 O. J. ARNOLD, PRESIDENT
STRONG ~ Minneapolis, Minn. ~ LIBERAL

FINANCIAL PROBLEMS

Favor Real Estate Mortgages

**First Class Bonds Selling Too High
 Says Company President—Prefer
 Three Year Term**

Real estate mortgages are still a ruling favorite with many life companies as investments, notwithstanding the frozen character of many real estate loans. The president of one of the medium sized eastern companies stated recently that in his opinion first class bonds are selling too high and he does not care to take chances on the second class bonds although some of them undoubtedly offer unusual opportunities for a good return. He prefers the real estate mortgage to the real estate bond. The latter usually runs for five years and not more than ten; it has to be refinanced at the end of the term and in a period of depression this is not always easy. He prefers real estate mortgages for a three-year term, on residence property in a good neighborhood, and when no second mortgage is obtained. He also looks carefully into the character and business standing or salaried position of the borrower and if these are satisfactory he is prepared to loan up to 50 percent of the appraised value. At the end of the three years if the conditions are still satisfactory he does not hesitate to renew.

Summary Filed on Right of Railroads to a Profit

NEW YORK, Oct. 1.—The Interstate Commerce Commission's legal obligation to maintain credit structure of railroads was brought out in a summary filed with the commission by two committees, one headed by President E. D. Duffield of the Prudential, which represent about \$5,000,000,000 railroad investment securities.

Mr. Duffield's committee is that on railroad investments of life companies and mutual savings banks. The summary points out that railroads since 1920 have been unable to earn the fair return contemplated by law and fixed by the commission, and that the margin of safety against a major depression, as measured by percentage of net earnings to gross revenues, has been declining for years, thus rendering the industry more susceptible to trouble in bad times.

Central Mortgage Bank to Make Securities Liquid

The suggestion of a central mortgage bank as a means to increase the liquidity of real estate securities would probably appeal to investors in city real estate and farm mortgages, including the insurance company holders of such securities. Life insurance companies holding any large amount of farm and other real estate mortgages are constantly having them come due so that a certain amount of cash is coming in all the time, so if there should be any large call on the companies for cash surrenders and loans, the mortgage assets would not be entirely frozen. There is also the amortized mortgage by which the mortgage is annually reduced by cash payments, but mortgages are not as readily negotiable as other forms of securities. An official thoroughly familiar with the New York banking situation said recently that the New York banking houses would be the last place to come for cash with farm or other real estate mortgages as security. This is due to the difficulty of investigating individual small mortgages scattered all over the country and the lack of ma-

chinery in any of the large banking houses for handling them.

A central mortgage bank similar to the federal reserve system is advocated by Dean John T. Madden and Prof. Marcus Nadler of the New York University School of Commerce.

"It is not that the United States is suffering from a lack of organizations engaged in mortgage financing," Dean Madden said, "but such financing is not linked up to the capital market of the country. To some extent the frozen status of real estate mortgages has contributed to the large number of bank failures. A central mortgage bank for urban real estate, chartered by federal law, whose main business would be to discount or to buy mortgages of a certain standard, would meet the needs. With the existence of such an institution banks, building and loan associations, savings banks and other financial institutions easily could dispose of their mortgages whenever they needed cash.

Bank Could Float Loans

"The central bank could float loans in the open market. The mortgages would become marketable and the national capital market accessible. If at the present time mortgage bonds are sold in France and Switzerland to yield not more than 3½ percent interest it is hard to see why similar bonds could not be sold here."

The smaller life insurance companies and many of the larger ones have large quantities of real estate mortgages. According to President Crocker before the Life Presidents' Association, 52 life companies hold \$6,994,000,000 in real estate mortgages. In ordinary times companies do not need a large amount of highly liquid assets but it is conceivable that policyholders might wish to borrow on their policies faster than cash would normally come in and the companies might be obliged to sell or borrow on their real estate securities.

Comment Made on Fixed Trust Speculative Scheme

The desperate stock-bond investment houses in their efforts to get the public back into the stock market and to meet the competition of life insurance salesmen have devised the fixed investment trust idea with purchases on the installment plan, like life insurance, and group life insurance to cover the decreasing amounts necessary to complete the program, usually running for a period of ten years.

The Pittsburgh "Sun-Telegraph," speaking of the plan, says that "sales literature in some cases is misleading to the investor. The cost, particularly in the initial year, is high and this burden is sometimes increased by tying up the plan with the wrong type of fixed trust."

Comment of Newspaper

The paper goes on to explain: "Under management of this type the investor agrees to purchase a certificate ranging in value from \$1,000 to \$10,000. He can pay for this in installments spread over a ten-year period. Out of the installments a special trustee pays for group life insurance to cover the unanticipated portion of the payments, deducts a fee to cover expenses and profits, and invests the balance in the share of a specified fixed investment trust. All the income from the fixed trust is reinvested in additional shares so that the investment increases on the equivalent of a compound interest arrangement."

This scheme will hardly appeal to the careful builder of an estate, in preference to life insurance. It has none of the safeguards thrown about the life insurance institution. The plan is based upon speculative common stocks instead of the conservative investments bring-

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ing definite returns which give life insurance its character and strength.

There is no reason why people should not speculate in common stocks if they wish, but to sell them on the installment plan and include life insurance is not an appeal to the speculative, but to the saving and protective instinct. Life insurance and thrift are not speculative and by all the tenets of sound investment common stocks are of that hazardous character.

This plan is a cheap imitation of life insurance which is not likely to go over very big, at least until the present depression is over and forgotten.

Westbrook Will Tell About Investments in Mortgages

Mortgages now held by life companies to the amount of \$7,000,000,000 play a large part in the financing of city and farm real estate which will be described by S. F. Westbrook, vice-president Aetna Life at annual convention of the Mortgage Bankers Association of America to be held in Dallas, Oct. 27-29. Speaking on the subject "Administration of Mortgage Loans and Lands from the Home Office Standpoint," Mr. Westbrook will recount the experiences with this form of life company investment, the total of which has been doubled in the last seven years and is five times the amount held 20 years ago.

Of the total now invested nearly two billions are in farm mortgages and over five billions in "other mortgages" which include single family and duplex dwellings, apartment buildings, commercial and office buildings and, in a lesser number of cases, special purpose structures.

Many Important Cases to Come Before Supreme Court

Several life insurance cases are scheduled to come before the United States Supreme Court in the October term. The Colgrove system, by which clubs of policyholders are formed, one-fourth of the death losses during the first five years going to the club for the payment of premiums of surviving members, will be passed upon. The Illinois department threatens to revoke the licenses of agents applying this system.

The reinsurance of the Illinois Bankers Life Association comes up in the case of Cook et al. vs. Illinois Bankers Life.

The duty of an insured person to disclose any change in health between the application for and the delivery of a policy of life insurance is involved in the case of Gay vs. New York Life.

Alleged concealment of a prior consultation with a physician in an application for life insurance is alleged in Aetna Life vs. Wharton.

Double indemnity for electrocution for murder is claimed in the case of Diamond vs. New York Life.

In Pacific Mutual Life vs. Barton the application was signed Jan. 11 and premium paid. The policy was issued Jan. 19. On Jan. 25 it was in the hands of the agent. On Jan. 28, before the policy was delivered, the insured was accidentally killed. The question of whether the policy was in force or not is to be tested.

Guardian Officials Entertained

Vice-President J. A. McLain and Superintendent of Agencies Frank Weidner of the Guardian Life were guests of honor at a luncheon meeting given by the Pittsburgh agency. The occasion was the celebration of a four weeks' drive in honor of the two officials. H. O. Snyder, manager in Pittsburgh, was chairman of the Pittsburgh general agents' committee which formulated the program of the general agents' session of the National Association of Life Underwriters' convention.

AS SEEN FROM NEW YORK

HELPED CLOSE BIG CASE

The infinite variety of motives that lead men to buy life insurance is well illustrated by an incident that happened in the Wells & Vonnell agency of the Provident Mutual Life. When its new term contract was known to be forthcoming Mr. Connell arranged with the home office to get policy No. 1 of the new series. When this was announced in the agency one agent went out and closed a \$100,000 case that had been hanging fire for months and probably would have continued to do so indefinitely if the salesman had not been able to promise the prospect that his would be the first policy issued in the new series. The buyer is the president of a nationally known corporation.

KINGSLEY FEELING BETTER

D. P. Kingsley, chairman of the New York Life, is reported feeling much improved in the last few days and expects to return to his desk shortly. He was carried from the liner "Europa" on a stretcher Sunday on his return from

Europe. It was explained that he had grown tired after several days of rough weather and that he was carried from the ship to avoid having to stand about on the dock during customs inspection.

INSURANCE TRAINING COURSE

The life insurance training course of New York University will open Oct. 6 for its fall term, J. E. Bragg, director of the course, has announced. Classes will be held Tuesdays, Wednesdays and Thursdays from 9 a.m. to 12:30 p.m. The tuition fee is \$100. Beside Professor Bragg the faculty includes N. L. Hoopngarner, professor of business psychology; L. G. Simon, agent and insurance author; H. H. Wilson, agency manager and lecturer, and A. R. Allen, agency manager and lawyer.

TAKES OVER FRANKEL LIBRARY

The library of the late Dr. L. K. Frankel, second vice-president Metropolitan, was formally received Tuesday by F. M. Warburg on behalf of the training school for Jewish social work. The library contains more than 1,000

volumes on sociology, problems of Judaism and public health, many of them very rare.

FISKE FUNERAL OCT. 6

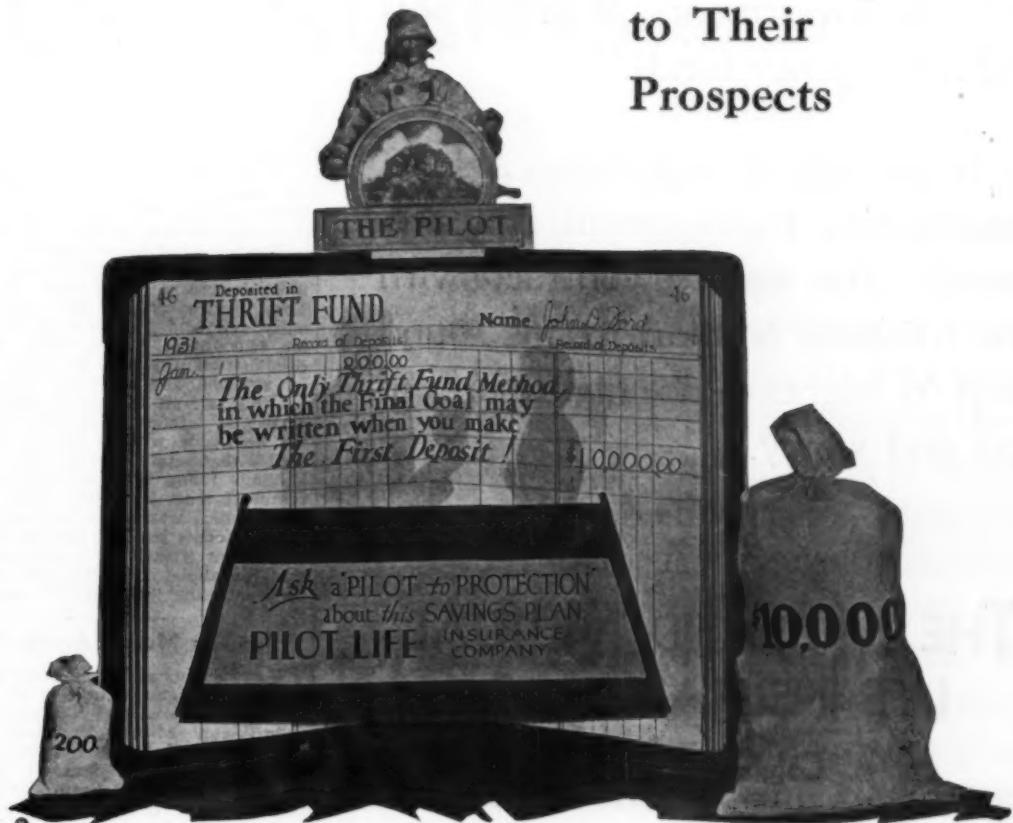
Funeral services for A. F. C. Fiske, second vice-president Metropolitan, who died Sept. 7 in Paris, will be held Oct. 6 at the Church of the Heavenly Rest, New York. President F. H. Ecker of the Metropolitan and other officers will be among pallbearers.

CORRELATE SOCIAL INSURANCE

With the return of Actuary J. D. Craig from his survey of social insurance conditions in Europe, the Metropolitan Life has begun the huge task of correlating the vast amount of data obtained through the activities of the company's committee which made their study abroad this summer. The committee consisted of the late Dr. L. K. Frankel, who died in Paris just after the completion of the survey, Mr. Craig and Roderick Olzemand of the actuarial department.

The branch of the actuarial department which has been handling the study of unemployment, health and accident insurance and old age pensions, has been augmented by two workers from Europe, Miss Lea Van Ingh and F. D.

Here's the Message Pilots to Protection Bring to Their Prospects



(Reproduction of Pilot Life Window Display)

... Yes, the only thrift method it is that enables them to write down the final total the moment they make the first deposit ...

PILOT LIFE INSURANCE COMPANY

GREENSBORO, N. C.

CHAS. W. GOLD, President



STABILITY

In the past two years the life insurance business has furnished a wonderful example of stability.

Midland Mutual men are happy in the knowledge that their company is sturdy—prepared for any emergency by sound investments, ample surplus and contingency funds.

In periods of depression a sane, conservative management is appreciated. An agency contract with The Midland Mutual means sound sleep 'o nights—no nightmare of fear and worry.

THE MIDLAND MUTUAL LIFE INSURANCE CO.

Columbus, Ohio

"Its Performances Exceed Its Promises"



Stuart. Miss Van Ingh is a linguist and was formerly connected with the London office of the Metropolitan. Mr. Stuart was previously associated with social welfare work done by B. S. Rountree, York cocoa magnate, on behalf of his employees.

The entire 18th floor of the tower at the home office building has been taken over for this work and a number of clerical workers have been assigned to assist the corps of experts who have already been compiling data on these subjects.

* * *

DO NOT STAND WELL NOW

The big investment trusts taken as a whole have thus far made a poor record and their future in providing a new form of investment is more or less in doubt. If they are to succeed, conservatism will have to replace the speculative policy of the bull period. It has not been shown that their vaunted expert management has been exercised to any degree. "The devastating bear market," says Barron's, "has not only caused severe declines in the liquidating value of investment trust shares but also has caused most of them to sell at discounts from liquidating value."

There is a great difference in investment trusts thrown together hastily on the basis mostly of common stocks in the boom period and the gradual accumulation under conservative state regulation of guaranteed interest bearing bonds and mortgages by the life insurance companies over a long period of years. The typical British attitude which built up the British trusts after which the American trusts were modeled was to regard income instead of speculative possibilities as the prime consideration and, says Barron's, while the viewpoint of the average American trust manager has shifted considerably in the direction of stressing income, few as yet probably embrace the typical British attitude.

As an example of some of the methods during the boom of some trust managers one well known firm decided to form a holding company for business publications and threw together a number of unrelated publications, paying their owners a high price for them. They then increased this price generously and sold the stock to the public for \$6,000,000. A few weeks ago the combination was sold at public auction for \$275,000, and while the court threw out this sale on charges of some of the parties at interest it is not likely that the final sale will be for as much as double that sum. Whether any of these holdings found their way into any investment trust portfolios is not known but the deal was sponsored and put out by the people back of one of the large investment trusts. It is not surprising that the public is a little slow in going back into the "investment" market.

Security Mutual Agents Meet

Forty agents and their wives attended the annual agency meeting of the Security Mutual Life of Nebraska at Lincoln Sept. 25-26. President E. B. Stephenson, C. Petrus Peterson, general counsel, and J. C. Seacrest, publisher of the "Nebraska State Journal," a heavy buyer of insurance, were the principal speakers.

Round table talks led by agents and announcements of prize winners made up the greater part of the program. Eighteen men won places in the \$150,000 Club and eight won special honors in the App-a-Week Club.

United Fidelity in Deal

DALLAS, TEX., Oct. 1.—Reports are freely circulating in the insurance and banking circles here that the United Fidelity Life of Texas is about to take over another company in the southern part of the state. It is anticipated that the details will be completed before the end of the week. The United Fidelity Life officials refuse at this time to discuss the matter.

On the Way



E. B. THURMAN

E. B. Thurman, general agent New England Mutual in Chicago, with his election at Pittsburgh last week as fourth vice-president of the National Association of Life Underwriters, thus starts up the line which, according to precedent, in good time probably will land him in the chief executive's chair of that organization. Mr. Thurman is an able and experienced underwriter whose sound views and energy in association work have endeared him to a host of friends and associates. He is past president Chicago Association of Life Underwriters and had a hand in arrangements for the unusually interesting "management" meeting at the Pittsburgh meeting.

Charges Against Company

Nebraska Department Has Set Oct. 7 for Hearing of Complaints Against First American

LINCOLN, NEB., Oct. 1.—Attorney General Sorensen has filed complaint with the insurance commissioner charging that the First American of Lincoln is conducting its business contrary to the statutes and regulations of the department and that W. H. Rankin, O. F. Moreland, J. E. Blankenship, J. P. Van Vliet, F. H. Ferguson and G. F. Miner, as agents, have been guilty of misrepresentation of policies. Twenty-eight persons, mostly farmers, signed affidavits setting forth the representations made to them in the purchase of policies. These are summed up in these specifications in the complaint:

Specifications in Complaint

That the policy is one of life insurance; that the dividends which the policyholder will receive will equal all future payments on the policy; that the company will carry the note given for the insurance indefinitely if the maker thereof desires an extension of time; that certain prominent persons are policyholders when they are not; that the company has been in business for many years, which it has not; that certain other companies are solvent when they are not. It is further charged that the First American has permitted these practices of its agents. Commissioner Herdman has set the case for hearing Oct. 7.

Guy G. Patton, formerly an examiner in the department, is president and treasurer; B. C. Barnes, secretary. O. F. Moreland is agency manager. It was organized to sell health, accident and thrift early in 1930, and on June 22 last entered the life field.

NEWS OF THE COMPANIES

D. E. Roper Named Receiver

National Benefit Life Is Taken Over
By Former U. S. Internal Revenue Commissioner

WASHINGTON, D. C., Oct. 1.—Daniel E. Roper, former United States internal revenue commissioner, has been appointed receiver for the National Benefit Life, Washington colored company, by the supreme court of the District of Columbia. The National Benefit operates in a number of states and has \$65,000,000 of insurance in force, including about \$37,000,000 in industrial policies.

In their application for receiver, J. T. Risher, president, and J. R. Pinkett, second vice-president, proposed the name of Superintendent H. L. Davis, of the District of Columbia insurance department. The National Convention of Insurance Commissioners meeting at Portland wired the court asking that Mr. Davis be appointed receiver in order to keep down the liquidating expense.

Consider Reorganization

Receiver Roper was directed to report to the court as soon as possible upon the possibilities of reorganizing the company, the officers serving in an advisory capacity until its future is decided. In the petition Mr. Pinkett stated that \$1,000,000 would be required to reorganize the company and he reported assets on Dec. 31, 1930, of \$5,599,679. The National Benefit Life is the largest Negro insurer in the world.

PERMANENT GEORGIA RECEIVER

ATLANTA, GA., Oct. 1.—The temporary receivership for the Georgia assets of the National Benefit Life, which was granted in July, has been made permanent by a superior court order. L. A. Irons, Georgia deputy insurance commissioner, was appointed permanent receiver and will take charge of approximately \$1,000,000 worth of property owned by the company in Georgia to satisfy the claims of the 13,000 policyholders in Georgia.

Styron Resigns From the Stonewall Life of Vicksburg

C. R. Styron, vice-president and general manager of the Stonewall Life of Vicksburg, Miss., has resigned. He will remain in the business in some capacity either as head of the agency department of some company or will take a general agency or one of the old companies. He was formerly general agent of the Penn Mutual Life. Prior to that he was agency manager of the Bankers Life and at one time was supervisor of the Equitable Life of New York. The Stonewall Life began business in May, 1928.

Brooklyn National Expanding

BROOKLYN, N. Y., Oct. 1.—The Brooklyn National Life has been licensed to transact business in Ohio, Delaware and District of Columbia. In making the announcement Vice-President B. S. Graham said that the company is finding many high caliber men seeking opportunities in the life insurance business and that in its expansion program, it is backing its belief that business will soon return to normal.

Taken Over By Confederation

Because its membership has fallen to 878 with a resulting increasing cost per member in conducting business the Dominion Commercial Travelers Mutual Benefit has voted to reinsure with the Confederation Life of Toronto. Rates will be the same as before reinsuring.

Now Up to the Department

National Standard Life in a Deal to Take Over the National Savings Life

TOPEKA, KAN., Oct. 1.—The National Standard Life of Houston has made a deal to take over the National Savings Life of Wichita, Kan. The matter is now before the Kansas insurance commissioner for approval. The National Savings Life on Dec. 31 had assets \$1,216,975, capital \$125,000, net surplus \$54,872, total income \$571,441, total disbursements \$359,717, insurance in force \$15,475,266. The National Savings is licensed in Arkansas, Kansas, Illinois, Missouri and Texas. L. A. Boll, Jr., vice-president and general manager, was formerly vice-president of the Inter-Southern Life. He is president of the National Finance & Investment Co. of Kansas City and vice-president of the National Savings & Loan Association of Wichita, the National Savings & Loan Association of Little Rock and National

Savings & Loan Association of Dallas. The National Standard recently took over the American Provident Life of Houston, Tex., which was controlled by the general agency firm of Cravens, Dargan & Co. The National Standard is headed by William Bacon and Robert Broussard is vice-president and agency director. It is making real progress. It took over the A.O.U.W. business in Arkansas amounting to \$8,225,411.

Examining Canada Life

LANSING, MICH., Oct. 1.—The Michigan department's examining force, augmented by two special examiners, has left for Toronto to begin a regular conference examination of the Canada Life. Joseph E. Reault, actuary and chief examiner, is in charge. Representatives of New York and Minnesota accepted the invitation to participate while Ohio, Illinois and Pennsylvania declined the same invitation on the ground that their examiners could not be present during the period designated.

Oklahoma Carriers Merge

OKLAHOMA CITY, Oct. 1.—The Sun Life and Transcontinental Life, both of Oklahoma City, have merged. The new organization will operate as the Sun Life with capital of \$1,000,000. Cor-

poration papers have been taken out and the new company has been approved by the insurance commissioner.

T. M. McComb, president of the old Sun, will be retained as president and George B. Henshaw, president Transcontinental, will be secretary of the newly formed organization. G. H. Dale and Hubert Bolen, both of Oklahoma City, are vice-presidents. Offices will be in the Hightower building. Both the old Sun and Transcontinental were capitalized for \$500,000. The Transcontinental had about two million insurance in force.

Stock Subscriptions Heavy

With 100 percent response from the personnel of United Pacific Life of Seattle to the recent offering of the company's stock, J. P. Fordyce, vice-president and agency manager, announces that subscriptions already have exceeded expectations. The 5,000 shares now offered do not represent new financing, but constitute a block of shares held in the names of E. B. Sherwin, president, and H. O. Fishback, Jr., vice-president, as trustees.

The distribution is being undertaken to further customer ownership of the company, and to meet a long-recognized demand on the part of policyholders to share in the company's growth.

LIFE AGENTS

SINCE the inception of Life Insurance members of your profession have been instrumental in insuring the success of their clients. Often times to the extent that they have forgotten that they too would some day have to measure their own success. Analyze your case. Are you satisfied that you are successful or that you are becoming so? If not, write us immediately in order that we may show *you* how we can insure your success, at the same time insuring the success of your clientele.

Address your communications to

The Minnesota Mutual Life Insurance Company
St. Paul, Minnesota



Save Them by Restoring

Estate after estate is nowadays coming under the analytical scrutiny of experienced life underwriters. The purpose being to learn what life insurance can do to restore them to normal valuation. There has never been another time within memory when this service was so much needed and was so valuable. Securities, of all kinds, are far below their buying values, depended upon by owners for future use of their families, or themselves, or their businesses, or for other use. When the present low level will end no one knows, and since the way back may be long, no man in his senses, and with the financial ability to restore the estate's value through life insurance, should hesitate to consider carefully the remedy which you can offer.

Underwriters working on this source are producing a satisfactory volume, and are earning a satisfactory income. In doing it, however, they relentlessly reject the prospect's plea that he "simply hasn't the money." If he can be made to see the danger as it really is, his desire to avert it compels action.

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Hardin Sounds Optimistic Note at Newark Meeting

NEWARK, Oct. 1.—John R. Hardin, president Mutual Benefit Life, sounded a note of optimism at the conference of the Day & Cornish agency here. After reviewing the financial situation of today and that of the company, he said that this country had passed through similar periods of depressions successfully and that this period of depression was no different from the others. He also stated that while he knew that the selling of life insurance is a little harder today than in normal times, yet the decrease is but slight. Too many prophecies have been made and they have done more harm than good.

Too many life underwriters attempt to go after large policies, thus ignoring the little ones. A. P. Steler of Detroit said in his talk on "Organization and Planning." If underwriters would seek those whose incomes range from \$10,000 to \$15,000 they would be more successful in their production. Good programming, good prospects and good presentation were some of the points discussed by W. H. Beers, special agency assistant at the home office.

The afternoon session was devoted to talks by Oliver Thurman, vice-president and superintendent of agencies; Harvey Weeks, assistant vice-president Central Hanover Trust & Bank Co., New York, and L. A. Cerf, a former general agent.

New York C. L. U. Group Hears Aviator Speaker

NEW YORK, Oct. 1.—William Moore of the Associated Aviation Underwriters was the speaker recently before the first regular meeting of the newly formed New York chapter of Chartered Life Underwriters. Mr. Moore dealt principally with aviation accident policies and their value in completing the coverage of a man whose life insurance policy is written with an aviation exclusion rider beyond the usual nominal number of trips by scheduled air lines. Aviation accident policies can now be written to cover specific flights or a specified number of days as well as on an annual basis, Mr. Moore said.

The chapter, which was organized at a meeting earlier in the year with W. J. Dunsmore, manager Equitable Life of New York, as president, adopted a constitution and by-laws presented at the meeting this week by Secretary G. L. Hill. Practically all of the 33 members were present. L. N. Whitelaw, J. C. McNamara, and T. M. Riehle were appointed chairmen of the membership, program and publicity committees respectfully.

New A. I. U. Officers Named

At the quadrennial session of the American Insurance Union, which has just closed in Columbus, Dr. G. W. Hoglan, president and medical director; Mary E. Colburn, national secretary and junior director, and Marie Williams Vandegrift, national vice-president and editor, were reelected to the board. H. T. Wolfe was elected national auditor. Other national officers elected include Vice-presidents R. H. Brandon, Chicago; C. B. Miller, Pittsburgh, and A. F. Coyle, Columbus; assistant secretary, C. L. Jordan, Columbus.

Lloyd Thomson With Buffalo

Lloyd Thomson has been appointed actuary of the Buffalo Life of Buffalo, N. Y. W. T. Eldridge will continue as consulting actuary. Mr. Thomson comes from the American Savings Life of Kansas City, Mo. He is a graduate of the University of Michigan, taking the actuarial course there. He was associated with the actuarial department of the Northern States Life of Hammond when H. E. Sharner was president.

C. L. U. Idea Is Growing Rapidly, Brown States

There are now 407 life underwriters in the United States who have passed all examinations and of whom 23 are awaiting completion of their experience requirement, Gerard S. Brown of the Penn Mutual at Chicago, new president of the National Chapter of the C. L. U. states this week upon return from the Pittsburgh meeting of the National Association of Life Underwriters where a C. L. U. conference was held.

He says there are 463 holdovers who have passed part of their examinations, compared to 184 last year. Almost without exception, Mr. Brown reports, answers to a questionnaire sent out to C. L. U. degree-holders indicate that they have enjoyed an increase in personal income since acquiring the degree, either through increase in business written or through promotions received, as a rule, directly through their C. L. U. attainments.

"This is a great demonstration of the C. L. U. idea," Mr. Brown says, "for C. L. U. graduates actually increase their earning power as a result of this work." He said the C. L. U. national organization and local chapters are now organizing to do everything in their power to help every life underwriter become a C. L. U. graduate.

Many Companies Refuse to Reinstate Disability Item

One cheerful factor in the lapse situation is the fact that a large amount of disability business is being washed off the books. Companies are taking advantage of excessive lapsation, to scrutinize with great care applications for reinstatement, where the income disability clause is involved.

Some companies are following the policy of refusing to reinstate almost all of their disability benefits, although the life insurance feature is put back in force.

Some agents are using this underwriting policy as an argument against lapsing. The policyholder, who is in a mood or seems to be faced with the necessity of dropping his insurance, is being told that he will very likely lose the disability benefits for all time.

Likewise, the skittishness of companies as to disability is something of a deterrent to twisting. The policyholder may be high pressured into juggling his insurance but if he is aware of the disability situation, he will not take a chance on losing that benefit for the sake of getting at his reserves.

Hoefflin Western Supervisor

The Pacific Mutual has appointed W. R. Hoefflin western agency supervisor with headquarters at the home office, to cover states west of Montana, Wyoming, Colorado and New Mexico. Mr. Hoefflin, who has been in the business for over 20 years, went to Los Angeles from Minneapolis in 1914 as general agent for the Connecticut Mutual in charge of southern California territory. He went with the Pacific Mutual early in 1925 as assistant manager of the home office general agency in charge of personal induction and later, in 1928, was placed in charge of production in the agency's country territory. He remained with the agency as assistant manager when it was made a branch.

Hendrian Opens Agency

R. E. Hendrian, for the last three years a New York City personal producer for the Travelers, has been appointed a general agent of the Home Life in New York City. He will have offices at 52 Broadway. Mr. Hendrian is a graduate of Dartmouth. After a brief experience in the mercantile business he took up life insurance.

Lack of Food Is Potent Factor in the Death Rate

While companies writing ordinary business have been confronted with extra mortality on account of suicides and the effect of the economic depression accentuating latent bills, the industrial companies find other conditions among their policyholders that affect mortality. For instance, Mrs. Pose Barry Dietz, president of the Globe Life of Chicago, one of the really successful women executives of the country, states that in analyzing death claims since the first of the year, she has been astounded at the revelations made.

Mrs. Dietz states that undernourishment and lack of food have caused many disorders among the working classes leading frequently to death. This is particularly true in the infantile classes. Mrs. Dietz declares that in hundreds of homes of working men there is a sad lack of food. If food is secured it is oftentimes not the kind for young children.

Mrs. Dietz is of the opinion that governmental authorities, national, state and municipal, should give this subject their most profound attention. There are conditions, she finds, that are appalling and which she believes are not appreciated by the large numbers of people that have more than their share of the world's goods and can provide without stint for their table.

Aetna's Detroit Sales Congress

The annual sales congress of the Detroit general agency of the Aetna Life was held Sept. 29 with H. K. Shoch presiding. Speakers at the business sessions besides Mr. Shoch were W. H. Dallas, assistant vice-president; Dr. D. B. Cragin, associate medical director; J. E. Griffith, Jr., secretary group division; S. T. Whatley, Chicago general agent; Claris Adams, executive vice-president American Life of Detroit; R. M. Wade, deputy insurance commissioner, and Ralph Wilson, Mutual Benefit Life.

Plans were laid for a three-months sales campaign to be known as the "Gold Rush," with gold nuggets and \$20 bills as prizes for production.

Need No Help of "Adjusters"

The insurance department of Missouri has given public notice that relatives of deceased persons need not submit their policies or pay fees to adjusters in order to collect proceeds from companies. The deputy commissioner after investigation found that a number of individuals in St. Louis are taking death notices from newspapers and addressing relatives, soliciting the business and collecting policies. The department says that this is an entirely unnecessary expense.

L. A. Lincoln in Seattle

SEATTLE, WASH., Oct. 1.—Leroy A. Lincoln, vice-president and general counsel of the Metropolitan Life, tomorrow will make his first visit to this city since becoming ranking officer of his company. District managers of the Metropolitan in Washington and Montana will meet Mr. Lincoln at the Olympic Hotel here.

Simpson Flint Manager

Henry J. Simpson has been appointed district manager of the Lincoln National Life at Flint, Mich., with headquarters at 512 Citizens Bank building. He has been a personal producer with the Lincoln National for about a year and prior to that was for some time with the Aetna. Before entering life insurance he was a minister for nearly 25 years.

Innovations Announced for Agency Officers' Meeting

Two innovations are announced by J. M. Holcombe, Jr., for the joint meeting of the agency executives of member companies of the Life Insurance Sales Research Bureau and the Life Agency Officers Association in Chicago Oct. 27-29. Mr. Holcombe is manager of the research bureau.

On the afternoon of Oct. 27, two separate meetings will be held, one under H. G. Kenagy, assistant manager of the bureau, who will lead the discussion on "Training Established Agents," and "Getting the Educational Program Across." The second session will be devoted to costs. It will be featured by a study presented by L. S. Morrison of the bureau staff. W. Carlisle, superintendent of agencies, Mutual Life of Canada, will be chairman of that session.

The second innovation is the division of members into four or five groups, which will meet in separate dining rooms, each with a chairman, to discuss the topics of the morning. The companies will be divided as to size. Chairmen of the groups are: H. M. Holderness, vice-president Connecticut Mutual; Dr. T. C. Denny, president Central Life of Iowa; S. F. Clabaugh, president Protective Life; L. J. Evans, assistant secretary Register Life.

Renews Guaranty of \$3,000 Income to Its C. L. U. Men

The American Central announces renewal of its guaranty of \$250 a month for one year to each of the company's representatives who wins the C. L. U. designation. The offer holds for any agents who pass examinations but whose diplomas will not be conferred until after three years satisfactory life insurance experience. The year for which the \$3,000 income is guaranteed must be spent in the American Central service under one of its standard commission forms of contract; the contract must remain in force according to all its conditions, and all revenue directly the result of the American Central service is to be considered as a part of the amount guaranteed.

"The company is convinced that increased knowledge will inevitably result in augmented commission income to the salesman," the American Central states, "and this exceptional offer is tangible proof of the American Central's complete confidence in the soundness of this conviction."

James M. Miller Dies

Following a brief illness and an operation for appendicitis James M. Miller, agency secretary of the Pacific States Life of Hollywood, Cal., died Monday. He recently was severely injured when struck by an automobile and this is believed to have aggravated his fatal illness. Mr. Miller created life insurance history, having organized the Montana Life in 1910 and the Colorado Life in 1920. He was secretary of the former company for ten years. Prior to these activities he was general agent at Denver for the State Life of Indianapolis. He had been with the Pacific States since 1925. He was 59 years of age.

Enjoin Benevolent Association

AUSTIN, TEX., Oct. 1.—A temporary injunction has been granted by the district court here against the Home Benevolent Association of St. Jo, Tex., with general sales office at Dallas, and H. C. Waldo, in charge of the Dallas office, restraining them from selling or offering for sale any policies or certificates of insurance. Suit was filed by Attorney General Allred, alleging that the company is doing business in violation of the insurance laws of Texas.



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2. Family Income
3. Ordinary Life Preferred Risk
4. 20 Year Term

Maximum protection; minimum cost; automatic or optional convertibility; investment advantages; deposit privilege. These provisions, in various useful combinations to meet present needs, are features of these "safety-first" policies. Details furnished on request.

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LIFE INSURANCE EDITION

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Member Audit Bureau of Circulations

Metropolitan Leads the Way

THE announcement this week that the great METROPOLITAN LIFE is to abandon income disability and return to the simple waiver of premium provision Jan. 1 will have a far reaching effect. A company of the magnitude, size and reputation of the METROPOLITAN LIFE can well afford to be a leader in an important movement of this kind. There has been a real change of form and opinion with regard to disability insurance. It has proved a costly experiment although many insurance men who have a vision and study the social aspects of their business feel that it has a place in the life insurance contract but it must be properly safeguarded. Unfortunately competitive influences had diverted income disability far from the main track until it involved a company in great potential loss.

If a poll of the selling forces were taken now that disability has been in vogue for a number of years they would probably cast their ballots in favor of continuing it. Many men with the rate book declare that the disability clause has been one of the most compelling arguments for the sale of life insurance that has been introduced in years. In fact if the truth be told some agents have sold the disability clause rather than life insurance itself. It has been popularized because agents have pictured its benefits. The waiver of premium clause itself brings certain complications but a majority of executives no doubt will agree that this provision is entirely proper. When a policyholder through the misfortune of total and permanent disability cannot longer continue the payment of his premiums, it does seem very justifiable to have an arrangement made whereby future payments will be waived. That was in the

minds of the progenitors of this movement. Competition set in and gradually more liberal conditions were made until the door was left almost wide open.

Some officials grew positively panicky over the thought of what might occur in the future with disability liability piling up. There have been meetings of actuaries and a tentative suggestion was brought out although there were those representing great interests who steadfastly felt that there was no half way measure and the only right and proper step would be to return to the pristine position of the pure waiver of premiums. The INDIANAPOLIS LIFE some weeks ago announced its return to waiver of premiums. It is known that one of the other important companies, one of great size, has decided to follow suit. There will be others undoubtedly who will see the justice of getting back on firm footing.

These are no times to take great chances. It has been shown that in most cases life insurance officials are not disability underwriters. Life insurance has its real place and so has disability. Life insurance has been free from adjustment disputes. Health and accident insurance involves adjustment. The people at large have had great confidence in life insurance because there were only a few cases where liability was denied and that due to an apparent violation of policy provisions. Double indemnity and disability have certainly brought a multitude of disputes and caused no end of friction. Taken as a whole undoubtedly the life insurance atmosphere will be cleared if companies stick to life insurance alone and free it from its appendages that have been added in recent years.

Satisfaction in Worth While Work

JOHN RUSKIN once said that the secret of life is not to do what one likes but to like what one has to do. There is real zest in working at a task that is ex-

hilarating and satisfying. When one feels that he is accomplishing something there is a feeling of enthusiasm in being able to achieve.

PERSONAL SIDE OF BUSINESS

A number of personal friends of President J. B. Reynolds of the Kansas City Life have been furnished a photograph of grandfather and grandson; in other words, J. B. Reynolds, grandfather age 60, and Joseph Reynolds Bixby, age 6. The indications are that the picture represents a president now existing and another president in the incubator process.

W. N. Madison, an agent in the Hyde agency of the Penn Mutual Life in New York City, has taken a nine-month leave of absence from life underwriting to go on a world cruise as a secretary to Laymen's Foreign Mission Inquiry of seven Protestant denominations. The itinerary calls for a rather complete tour of India, China and Japan, returning across the Pacific to this country in July. Mr. Madison has had considerable experience along similar lines working under Dr. John R. Mott, nationally known for his work in the Y.M.C.A.

Dr. G. A. Van Wagenen, senior medical director of the Mutual Benefit Life, will celebrate his 86th birthday Oct. 3. Dr. Van Wagenen, who is virtually retired, graduated from Princeton University in 1868. He is also a graduate of the College of Physicians & Surgeons in New York City as well as Columbia Medical College. He has been medical director since 1878. As far as is known he is the oldest living medical director in this country.

Mr. and Mrs. C. F. Bennett of New Britain, Conn., have announced the engagement of their daughter, Miss Marian Bennett, to E. V. Homans, nationally known amateur golfer and an agent in the Prosser & Homans agency of the Equitable Life of New York in New York City. Mr. Homans is a son of Sheppard Homans, a partner in the firm.

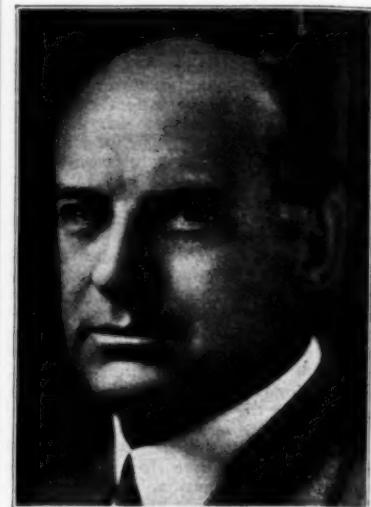
The announcement that Miss Timothy Hogan has resigned as cashier at the home office of the National Guardian Life of Madison, Wis., recalls the fact that when George A. Boissard went to Madison to become president he found a young girl, Miss Irene Hogan, in the office. At that time Timothy Hogan was attorney general of Ohio. Mr. Boissard immediately called Miss Hogan "Timothy" and since that time she has borne that name. Probably but few could tell her real first name. She graduated from the Madison high school 17 years ago and has been with the National Guardian ever since, becoming its home office cashier in 1918. She is one of the most efficient office people. Owing to her tact and personality she has been of great service to the National Guardian agency force and the policyholders. She is now Mrs. Franklin Van Sant and as soon as she can be released from her duties she is to devote all her time to her home.

W. T. Batchelder, the new Indianapolis general agent of the Berkshire Life, comes direct from the home office. He has offices in the Merchants Bank building.

Judge C. T. Warner, Ohio superintendent of insurance, was suggested last week for appointment as judge of the probate court at Columbus to succeed Judge H. Z. Bostwick, who had been removed. Judge Warner has previously served on the common pleas bench. However, Governor White named C. P. McClelland to the position, being loath to disturb conditions in the insurance department, which is running so smoothly under the direction of Superintendent Warner. Many insurance men were glad to learn that Judge Warner is not to be taken from the department.

Dr. S. J. Streight of the medical department of the Canada Life was married recently to Mrs. John Walker of

Soldier of Life



COL. CHARLES B. ROBBINS

A notable tribute in verse was paid Col. C. B. Robbins, president of the Cedar Rapids Life and president of the American Life Convention, which will hold its annual meeting in Pittsburgh next week, written by Vice-President Jay G. Sigmund of the Cedar Rapids Life and published in a daily paper there. Mr. Sigmund is not only a successful company executive but a writer of verse and stories that have received much praise. The title to the verse dedicated to Colonel Robbins is, "Soldier of Life." The following are the verses:

These hearts you have; all pulsing strong
indeed—
A giant father-heart; one heart for
joy;
A warrior-heart with beats that always
lead—
A staunch man-heart—the heart of a
wistful boy.

A blend you are of merchant-prince and
sage;
Or scholar; judge; of counselor and
seer;
You laugh to see the futile darts of Age
Fall bent and wasted near.
No awe you hold of kingly robes or
power;
No fear have you of monarch's pomp
or plan,
Knowing that glory lasts a tiny hour
You only ask a man to be a man!

Called by the quick drums, you will never
pause
Or reckon cost; you face the barricade;
How little matters the hurt—be the
cause your cause—
There is need—you go—dauntless and
unafraid.

None of the miser in that soul of yours,
You hold contempt for those who wor-
ship self;
Oh, it is good to see a man who pours
His richness out, oblivious of self!

Soldier of life; go down your starry way
To The Great Field, as you have al-
ways gone,
Leading your men, exultantly that day,
As you have always done!

Loving rich life, as life's best soldiers
do;
When Death's grim handmaid brings
her bitter cup,
One think is obvious; this much is true:
You will clutch it bravely; smile; then
lift it up!

St. Catherines, Ont. They are now at
home in Toronto.

Origen B. Herrick, Syracuse, N. Y.,
general agent for the Aetna Life, died
there Monday. He had been in the in-
surance business in Syracuse more than
30 years.

THE INSPECTOR HAS LIVING IDEALS



THE Hooper-Holmes Bureau is chiefly people. There are fifty-seven offices, a heavy investment in office space and equipment, fleets of automobiles and a great inventory of general supplies. But what makes these dead things live is the organization; the skill and the ideals of the people who perform the service.

The making of Inspection Reports carries with it a grave responsibility; a responsibility which can be sustained only by ideals. It would be easy to turn out a slipshod report, based on file information or a few

telephone inquiries. It is difficult to compile an adequate report resulting from capable personalized inspection. But this organization, at the outset, chose the difficult and more valuable method and has perfected an unparalleled inspection technique. It was ideals which dictated the original choice; it is ideals which inspires continual enlargement and refinement of the service.

And what has been the reward? Nearly every outstanding industry on this continent is represented on the books of this organization. All

recognize the merit of our policy. Flexible service and a finished job are what we offer. Flexible service and a finished job are what we sell—to important new customers every day. It would appear that high ideals do more than give satisfaction. It seems that they pay.

The nationwide facilities of The Hooper-Holmes Bureau are devoted to the compiling of Moral Hazard Inspection Reports for insurance underwriting, credit, commercial and employment purposes and Claim Reports. Address inquiries to 102 Maiden Lane, New York.

★ THE HOOPER-HOLMES BUREAU, Inc. ★



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Those in the Home Office to Give
Testimony About This Company's
Cooperation with Its Agents.

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Invites You to Make Inquiry Among
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Day to 70 Years.

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E. O. Hawley
Superintendent
of Agencies

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34th Year of Successful Operation

LIFE AGENCY CHANGES

Hoffman With the National

Well Known Life Underwriter Is Made
General Agent at Washington, D. C.

Karl S. Hoffman of Washington, D. C., has been appointed general agent for the National Life of Vermont in that territory, to succeed R. P. Withington, who resigned as Washington representative the first of the summer. Mr. Hoffman has had a wide experience in life insurance. A graduate of Carnegie Tech, he started in the insurance field 12 years ago in the middle west, and his experience has embraced personal salesmanship, organization work, and home office service. He has been associated with several companies, the last one being the Massachusetts Mutual. Just prior to taking up his duties with the National he spent some time at the agency building school conducted by the Life Insurance Sales Research Bureau at Babson Institute.

H. C. Martin, E. E. Brown

The Penn Mutual announces the retirement of H. C. Martin, since 1904 its general agent at Knoxville, Tenn., and for ten years before that a special agent at Raleigh, N. C. Mr. Martin will not be separated from the agency, but will serve as personal producer, coming and going as he pleases.

Management of the agency has been transferred to E. E. Brown, general agent at Chattanooga, who will have charge of the combined Chattanooga and Knoxville territories. Mr. Brown has long been one of the ranking general agents of the Penn Mutual, and it is expected that his new field will become still more important as one of the company's producing agencies.

E. P. Messinger

E. P. Messinger has been appointed manager for the Peoria Life in Detroit with offices in the Book building. He was formerly with the Peoria in 1919 at Flint, Mich., and later with the Massachusetts Mutual and Lincoln National.

S. M. Orwig

S. M. Orwig has been named general agent of the Minnesota Mutual Life at Columbus, O., effective Oct. 1. Mr. Orwig for some years has been with the John Hancock Mutual Life in Columbus.

E. E. Hawkes, Jr.

The Northwestern National Life has opened a third Chicago agency with E. E. Hawkes, Jr., at 222 West Adams street, as manager. He will develop the outlying and metropolitan districts of Chicago. For the last three years he has been connected with the Phoenix Mutual Life in Chicago. He was formerly sales manager of the real estate loan department of the Reliance Bank & Trust Co. of Chicago.

L. B. McCracken

L. B. McCracken has been appointed manager of the Central Life of Iowa for nine counties in the center of Indiana, with headquarters at 520 Merchants' Bank building, Indianapolis. Mr. McCracken was for a number of years office manager of the Travelers in Indianapolis and following that for a number of years was assistant agency supervisor of the State Life of Indiana.

H. R. Marshall

A branch office of the Continental National Life of Denver was opened in Wichita last week at 808 Bitting building, with H. R. Marshall as gen-

eral agent. The southern half of Kansas will be handled from the Wichita office.

Norman K. Durham

Norman K. Durham has been appointed district manager of the Kokomo, Ind., district of the Indiana agency of the Equitable Life of New York. He will have his headquarters in the Citizens Bank building of Kokomo, and will supervise, Cass, Miami, Howard, Tippecanoe and Hamilton counties. He was a very successful personal producer at Muncie. He has been in the life insurance business three years. Before associating with the Equitable Mr. Durham was high school football coach at Muncie.

J. T. Maloney

J. T. Maloney, former sales manager for the Dayton Light & Power Company, has been appointed general agent for the Detroit Life for Dayton, O., and vicinity, with offices in the Dayton Industrial building.

William S. Vogel

William S. Vogel, who has been with the Arnold Harmelin agency in New York City for ten years as field organizer, has been appointed general agent for the northern New Jersey territory for the Atlantic Life, with headquarters in Newark, succeeding the late David H. Szerlip.

Life Agency Notes

The Old Line Life of Milwaukee has appointed A. W. Dahlquist general agent at Bellingham, Wash.

O. C. Walker, manager of the Income Life at Lexington, Ky., has resigned to join the Ohio State Life under R. J. Breckinridge, general agent.

J. L. Kennett and H. Behymer have been appointed managers at Elkhart and Hamilton respectively by the Western & Southern Life.

Clay B. Jackson has been appointed manager of the Dallas office of the Texas Prudential of Galveston. He has been a resident of Dallas for a number of years and has been a successful organizer.

E. L. Griffith, formerly superintendent of agents for the Northwestern Life of Omaha, has been named district manager for the Peoria Life at Houston, Tex. He was educational director for the Peerless prior to its merger.

L. B. Gettys, Sioux City, Ia., manager for the Mutual Life of New York, has announced two South Dakota appointments. Neal Davis becomes district manager at Redfield and L. J. Warkelein district manager at Watertown.

The Southern Old Line Life has established a branch office at Houston, Tex. J. McDonald & Co., represent the company in Harris and 26 surrounding counties. J. M. Parker is in charge of the life department.

Can Attend Both Meetings

Although the two meetings are held the same week, train schedules will allow insurance advertising men to attend both the Insurance Advertising Conference meeting at Toronto, Oct. 4-7, and the organization luncheon for the proposed advertising section of the American Life Convention at Pittsburgh Oct. 8.

The luncheon at Pittsburgh was set up a day purposely so that the meeting might not interfere with the deliberations of the Insurance Advertising Conference.

Lorry Jacobs, director of public relations of the Southland Life and vice-president of the Insurance Advertising Conference, is chairman of the Pittsburgh meeting.

EASTERN STATES ACTIVITIES

C. L. U. Aid by Pittsburgh U.

Review Course Begins in January—Comprehensive Three Year Course Already Under Way

The University of Pittsburgh through its downtown division is advancing the C. L. U. cause. For college graduates or others with the proper background, a course of 40 lessons over a period of 20 weeks is to be given from Jan. 18 to June 2. The objective is to review a selected group of subjects preparatory to taking the C. L. U. examinations. Tuition will be \$50. Dr. V. W. Lanier is director.

Also this fall the university is launching a three year comprehensive C. L. U. educational program. This is designed for those whose training is such that they require more preparation than the review course offers. After the first year, the agent should be ready for the first instalment of the examination; at the end of the second year, the second instalment and at the end of the third year, the third and fourth instalment.

The program will require eight class

room hours per week the first year and six the second and third year. The fee is \$10 per credit for the first two credits and \$9 per credit thereafter.

May Form Managers Association

NEWARK, Oct. 1.—A movement is on foot to organize a general agents and managers association in Newark. The new organization, if formed, would not in any way interfere with the local life underwriters association. The business has grown to such an extent and territories have been extended by some of the offices here so that there is not sufficient time at the regular meetings of the local association to discuss such matters.

Charleston Wins Contest

At a meeting of the West Virginia Managers Association of the Metropolitan Life at Charleston, the Charleston district was awarded the trophy in a production contest. Bluefield was awarded second place. W. G. Seymour of Huntington, chairman of the association, presided.

William Englebrecht of Charleston was the winning agent, with A. L. Smith of the same office, second.

CENTRAL WESTERN STATES

Husband vs. Sister-in-Law

Husband Shares in Premium Payments But Wife's Sister Gets All of the Proceeds

Despite the facts that four-fifths of the premium payments had been made from the joint property of husband and wife, a sister, named as beneficiary in an income bond taken out by the wife, is entitled to the entire proceeds of the bond at the death of the wife. This was the decision of the United States district court of the northern district of Illinois in Equitable Life of New York vs. Barton et al.

Sister to Receive Payments

Jennie C. Barton was owner of the income bond, which provided if she should die before the life income payments started, her sister, Olive N. Barton, should collect the sum of payments made by Jennie C. Barton under the bond. Four-fifths of the premium payments were made subsequent to marriage of Jennie C. Barton out of the joint property of her and her husband.

When Mrs. Jennie C. Barton died, Olive N. Barton claimed the entire sum due while Mr. Shields claimed four-fifths of the amount.

Each Premium Called Gift

The United States district court for the northern district of Illinois held that it is impressed by the reasoning that the payment of each premium constitutes a gift to the beneficiary in the policy of the amount of insurance such premium will purchase. Otherwise, according to the court, the wife of an improvident husband earning her own living would be denied any power to protect her dependents in the event of her death. The contract of insurance, the court said, should be read according to its literal meaning and not be interpreted in the light of the background of the intricate community system. It seems far better to resolve the choice of priorities in favor of the practical and socially useful view.

Indianapolis Office Grows

The Indianapolis district agency of the Equitable of New York under Man-

ager Earl T. Bonham has an excellent growth since he took charge late in 1929. At that time the office was working on a million dollar quota. Since then the quota has been increased frequently, now being \$3,000,000. There are 24 men in the district, 12 of whom are first-year men. Production up to Sept. 1 was over \$2,500,000, with \$1,100,000 of that paid for by first-year men. A campaign with new men challenging the old, resulted in \$203,652 for the new and \$270,549 for the old.

Cummings Now Manager

F. D. Cummings, who has been temporarily in charge of the Chicago branch of the Pacific Mutual Life, following the transfer of Jens Smith to the home office as assistant superintendent of agencies, has been appointed permanent manager. Coincidental with this appointment Mr. Cummings changed operations of the branch to a unit basis. Earl S. Rappaport, assistant manager under Mr. Smith, becomes field supervisor in charge of one unit; E. H. Johnson and C. N. Davis, who have been connected with the branch for some time, in charge of the two other units.

Richmond Staff Entertained

The Richmond, Ind., staff of the Western & Southern Life was the guest of Superintendent of Agencies Carl J. Holloway at the home office in Cincinnati to celebrate his advancement from Richmond manager to an executive position. The 30 visitors were dined and escorted to the St. Louis-Cincinnati baseball game.

Spaulding Opens Course

A ten-weeks' training course will be held in the Spaulding agency of the Mutual Life of New York at Chicago, starting Oct. 13. Persons not connected full-time elsewhere—especially those contemplating entering the business—are invited to attend without cost. The agency will hold its sixth annual convention at the La Salle hotel, Oct. 9, followed by a dinner. Mr. Spaulding reports the number of applications handled in his agency so far in 1931 exceeds the total for the same period of last year.



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

A Dollar's worth for every Dollar paid regardless of kind of policy purchased

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies.

Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri

INTERSTATE RESERVE LIFE INSURANCE COMPANY

A Mutual Legal Reserve Life Insurance Company
Ten East Pearson Street Chicago

An UNUSUAL Contract

will be offered to

An UNUSUAL Man

WHO

- is a producer
- is, of course, honest
- has three years of experience
- needs no financing
- is seeking opportunity
- will WORK
- can organize
- needs no drawing account or salary
- needs no office expense

BUT

WHO will accept Home Office help in the appointment of new Agents under him for whom he will not be responsible financially and yet on whom he will receive overwriting Commissions as high as \$4 per thousand and long time Renewals.

THE COMPANY—is rated "A" by Best. Its rates for Insurance are extremely low

*(Age 35 Ordinary Life Net Cost
First year per thousand \$17.85)*

It writes all latest forms—Participating only—including an improved Family Income form; also Juvenile
Has over \$135,000,000 in force.

TERRITORY—The Company desires especially to develop Indiana, Illinois, North Carolina and Texas.

ASSISTANCE—Experienced field men to help the man selected to build a real agency in which the Renewals are NON-FORFEITABLE.

WE WANT AN UNUSUAL MAN

UNLESS you have no present connection, or you have a real reason for leaving your present connection and are not at fault yourself, we are not interested. Write fully about yourself. We will not communicate with references until after interview. Write T-74, The National Underwriter.

OUR AGENTS' FUND OFFERS CREDIT FACILITIES TO MEET FINANCIAL PROBLEMS

- The first feminine member of the American Central Field Club (three times entitled to membership) is a consistent user of the Agents' Fund, a friendly, cooperative bank designed to meet the life insurance salesman's particular financial problems. 79.45% of her cases issued during 1930 were financed by the Agents' Fund, this procedure contributing largely to her success.
- In addition to this record she enjoyed a second-premium renewal ratio considerably above the average. The unusual plan of renewal compensation in her contract makes service for, and contact with, old policyholders highly remunerative.
- This contract, with its coordinated services, is offered to those who are interested in personal production. The American Central recruits its organizers from the ranks of the salesmen who have been successful in its service.

Territories now under intensive development include Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Texas



American Central Life Insurance Co. Established 1899

Indianapolis

Herbert M. Woollen, President

"Guaranteed Benefits" — "Guaranteed Low Cost"

juvenile policies "...JUST LIKE DAD'S"

JUVENILE policies, to be "just like Dad's," must have a named beneficiary, just as do adult policies; they must also permit the naming of contingent beneficiaries. Mutual Trust's juvenile policies do.

A photostatic copy of the application is attached to and made a part of the contract.



MUTUAL TRUST

LIFE INSURANCE COMPANY



"AS FAITHFUL AS OLD FAITHFUL"

This is the seventh of a series concerning Mutual Trust Life Insurance Company's Juvenile Policies.

IN THE MISSOURI VALLEY

Total, Permanent Construed

Court Rules Must Be Wholly, Continuously, Permanently Unable to Do Any Work for Pay

The United States circuit court of appeals for the eighth circuit (Missouri) has reversed and remanded for new trial the case of *Prudential vs. Wolfe* in which the lower court held for the assured who claimed disability benefits under a group life policy although the evidence was that he had been making a living at farming and selling automobiles while allegedly disabled.

Wolfe left his employment and informed the Prudential that he had been advised by his physician that his lungs were weak and that a higher altitude was indicated. Wolfe went to Colorado and the company for which he worked offered to pay for his treatments at a sanatorium, but Wolfe refused the offer. Thereafter Wolfe started action against the Prudential.

Returned to Kansas City

Wolfe remained in Colorado three months, then returned to Kansas City. He worked that winter for the American Insurance Company of Newark and in the spring for a tea company. He planted a crop that season and during the summer sold automobiles, although laying off part of the time. He rented land for 1930 and planted a crop.

The United States circuit court of appeals held that the disability insured against is limited to that by which the assured, while the policy is in force and effect, is rendered wholly, continuously and permanently unable to perform any work for any kind of compensation for financial value. There is no ambiguity as to the measure provided to determine the disability or incapacity insured against. That measure is inability

wholly, continuously and permanently to perform any work for any kind of compensation of financial value. There is, therefore, no ground for construction.

St. Louis Y. M. C. A. Course

The life insurance course of the St. Louis Y. M. C. A. indorsed by the Life Underwriters' Association of St. Louis started Oct. 1. C. Y. Byars, manager of the Travelers, is the instructor for the first semester and F. M. See, manager Union Central Life, the second semester.

Calef in St. Louis

A. C. Calef of the financial department of the Columbian National Life, spent several days in St. Louis as the guest of George L. Dyer, general agent. Addressing a luncheon of the St. Louis agents, he expressed the belief that business conditions are improving, citing particularly the shoe and textile industries, which were the first to suffer from the depression. He also told of the present trend toward life insurance as an investment.

Life Insurance Stands Firm

Governor Christianson of Minnesota in speaking to the White & Odell agency of the Northwestern National Life in Minneapolis, said that life insurance has stood firm through the vicissitudes of time and change. Even lapses and suicides, which are the marks of hard times, cannot seriously weaken the financial condition of insurance companies as withdrawals weaken banks.

Commissioner Herdman of Nebraska has dismissed charges of twisting filed against J. G. Widholm, Fremont agent of the New York Life. The charge was preferred by officers of the Old Line Life of Lincoln.

PACIFIC COAST AND MOUNTAIN

Metropolitan Life Meeting

Western Division Men Had Splendid Convention to Discuss Different Phases of the Business

The western division of the Metropolitan Life in the jurisdiction of the head office at San Francisco is holding a two day conference of all agency staffs of the 16 southern California districts. Officials present are John H. Almy, superintendent of agencies, who is presiding. Dr. William P. Shepard, assistant secretary; Louis P. Scholl, assistant secretary; Dana D. Beardslee, manager publicity division; Peter F. Bouquet, group division manager; Ray Nash, ordinary manager; J. H. Ray, policy service division of New York home office; George Quinzer, agency superintendent, and P. E. Young, manager Golden Gate district office.

Vice-president Williams Present

F. J. Williams, third vice-president in charge of Pacific Coast territory, attended the meeting for one day and then left for New York to visit his father, who is ill. Mr. Williams' father is 109 years of age and has enjoyed good health until very recently.

A complimentary dinner to A. S. Theberge, manager Los Angeles north district, was held and the formal presentation of the John H. Almy trophy was made for superior production during a contest held the last three months of last year. This two day conference is held each year at which time the immediate and general problems having to do with the company's business is dis-

cussed. Superintendent of Agencies Almy met with the district managers after which a dinner was held for the leaders and the \$100,000 club members.

L. A. Lincoln's Visit

LeRoy A. Lincoln, vice-president and general counsel of the Metropolitan Life, will arrive in the western division territory this week for the first of a series of regional meetings with the managers. His first meeting will be at Seattle and other meetings will be held at Portland, San Francisco, Los Angeles, Salt Lake City and Denver. This is Mr. Lincoln's first official visit to the coast territory since he was elected a vice-president. He is probably the foremost authority on unemployment insurance and recently spoke before the United States Chamber of Commerce on this subject.

Los Angeles Club Gathers

Twisting Discussion Is Continued; Move Started to Place Dues on an Annual Basis

The Life Managers' Club of Los Angeles at its semi-monthly meeting at which President Sam McCurdy, agency director Sunset branch, New York Life, presided, devoted much time to continuing the discussion of twisting. Action was deferred to the next meeting Oct. 12. B. P. Rouse, general agent Mutual Benefit, said that in his agency all inquiries from policyholders, whether received by mail or otherwise, relative to changes in policies, are handled by the agent in the case or a company rep-

representative through personal contact, and results have been satisfactory. He said much of this business otherwise probably would have lapsed or been twisted.

President McCurdy urged that members notify Secretary Charleville when prominent company officials are expected in the city, so the greatest possible benefit might be experienced through obtaining such officials as speakers. Mr. Charleville reported on

activities of the Life Underwriters' Association of Los Angeles in collecting dues on quarterly or semi-annual basis. He said that in many cases these memberships lapsed after payment of first installment. It was suggested that dues be placed on an annual basis and that collection be guaranteed by having agents arrange with their general agents or manager for deduction of the amount from earned commissions, the agencies to remit collections direct.

ACCIDENT AND HEALTH FIELD

Pittsburgh Managers Elect

C. W. Elton, Connecticut General Life, Named as President of Club There for Coming Year

PITTSBURGH, Oct. 1.—The Pittsburgh Accident & Health Insurance Managers Association held its annual meeting last week. President Lon C. Jeffrey spoke on "Our First Year," reviewing the purpose of the organization and the results accomplished in the first year of the organization's existence. He stressed the importance of establishing a public relations committee with a view to better education of the public as to the value and practicability of accident and health insurance. He suggested that the committee should secure from members of the organization the total amount of money paid to policyholders for given periods, to let the insuring public know the percentage of their premiums companies represented in the club are returning to them in the way of benefits.

Out of town guests and speakers were D. C. MacEwen, vice-president and superintendent of agencies Pacific Mutual Life and president Health & Accident Underwriters Conference, and F. G. Burgoyne, assistant secretary Union Indemnity and president of the New York Accident & Health Managers Club.

New officers were elected as follows: President, C. W. Elton, Connecticut General Life; vice-president, W. A. Hopkins, Southern Surety; secretary, A. C. Feagan, Inter-Ocean Casualty; treasurer, F. P. Fletcher, Pennsylvania Underwriters Association.

L. C. Jeffrey, retiring president, was elected a director for three years.

The association has now 50 paid members, representing 40 percent of the accident and health business being written in the Pittsburgh metropolitan area.

Cut Lapses by Reinstating Policies on Cheaper Basis

Some companies these days are having success in keeping their accident lapses at a minimum by suggesting that whenever an accident policy is dropped that the assured be induced to buy a cheaper policy. An assured who drops a \$25 policy is asked, for instance, to take out a \$15 instrument.

This system has been effective in those offices which have aggressively adopted it. One company reports that it is able to reinstate about one-third of its lapsed policies on a cheaper basis.

Jury Gives Verdict \$3,000 Above Lapsed Policy Limit

A jury in circuit court at Clayton, Mo., brought in a verdict of \$3,500 against the Continental Life of St. Louis under an accident and health policy, the owner of which was killed under circumstances which limited the benefits under the policy to \$500. Verdict was based on the fact that the Pioneer Automobile Service Company, which issued the Continental Life policy in connection with its service contract providing

for emergency repairs, towing, etc., stated therein: "The Pioneer Automobile Service Company . . . will furnish free a travel pedestrian policy in the Continental Life, covering personal accident up to the sum of \$5,000 . . ."

Although the service contract was for two years, the accident and health feature was for one year and the insured was killed eight months after the accident and health policy had expired. He did not renew his policy for the second year.

The Continental Life will, of course, appeal.

Provident Life & Accident Opens San Francisco Office

SAN FRANCISCO, Oct. 1.—The Provident Life & Accident has established an office in San Francisco for accident and health business in charge of Fred Sperry, former manager of the accident and health department on the Pacific Coast for the Southern Surety. Mr. Sperry will handle the coast business for the Provident, according to Vice-president W. C. Cartinhour who has been in California two weeks completing the details incident to taking over the business of the Southern Surety. In Los Angeles the company has retained Fred H. Dibble to run the department. Its offices have been enlarged to bring the life and accident departments together.

ASSOCIATIONS

Rockwell Cincinnati Speaker

Discusses "Insuring Ordinary Estate" at First Fall Meeting of Life Underwriters Association

Dr. C. J. Rockwell spoke at the first fall meeting of the Cincinnati Association of Life Underwriters on "Insuring the Ordinary Estate." He advocated the presentation of life insurance, not for immediate needs but for future or eventual contingencies. He showed that this is the real reason for saving. He said that life insurance has three great advantages over other forms of investment, viz., its inclusiveness, character and its peculiar satisfaction to the buyer. He emphasized particularly that life insurance is certain to mature at an enhanced value and that it is proof against neglect or mismanagement and is not subject to changing conditions. He brought out the fact that a buyer gets satisfaction in knowing not only the size and value of his estate but he can predetermine its distribution. The market value of life insurance is always progressing. Its future value is guaranteed. Within the next few weeks Dr. Rockwell will conduct his course in life insurance salesmanship and practice under the auspices of the Cincinnati association.

* * *

Indianapolis—The Indianapolis association will try out a new meeting idea this week. A sales congress will open at 4:30 p. m. and continue until the dinner hour. At 7:30 the congress will be resumed for the evening. Ward Hackleman, general agent Massachusetts Mu-

Clarence L. Ayres
President

Claris Adams
Executive Vice-President

ESTATES ANALYSIS

THE AMERICAN LIFE INSURANCE COMPANY maintains an **ESTATES ANALYSIS DEPARTMENT** which provides Agents with out cost a complete Analysis of their clients' Estates.

It also draws all necessary documents, including Trusts, Wills, Partnership Agreements, Stock Elimination Agreements, etc.

This is only one feature of the **AMERICAN** plan of complete co-operation.

AMERICAN LIFE INSURANCE COMPANY DETROIT, MICHIGAN



Three Essentials Of a Retirement Plan

First—systematic saving must be almost compulsory. Second—security of principal must be guaranteed. Third—exhaustion of principal during lifetime must be impossible.

The Connecticut General retirement annuity combines these three essentials. Retirement age optional between 50 and 70. Provision for beneficiary if death occurs during the saving period. Disability protection if desired.

The market for annuities is broad and active. Here is a new one combining all the desirable features of earlier forms.

For agents' information including rates, advertising material, etc., inquire of our local office or write,

**Connecticut General
Life Insurance Company
Hartford, Conn.**



*Are YOU satisfied
with YOUR production this year?*

AETNA SALESMEN WITH THE S. T. WHATLEY AGENCY of CHICAGO attribute their increase in business to—

1. Training. (Careful individual instruction and organized training school.)
2. Free supervisory assistance.
3. Co-operation of Agency in circularizing.
4. Co-operation of Home Office through National Advertising.
5. A new service to policyholders.
6. Privilege of selling up-to-the-minute Accident and Health Insurance.
7. Group and Wholesale.
8. A Family Income Contract with a tremendous appeal to prospects.

If you are interested in increasing your income, telephone or write for information.

S. T. WHATLEY, General Agent
AETNA LIFE INSURANCE COMPANY
1914—One La Salle Street, Chicago
State 3380

Life Insurance

during 1930 again demonstrated its worth as the world's premier security. Regardless of wars, panics or periods of depression, a Life Insurance contract in The Manhattan Life remains unimpaired and is matured exactly as called for in the individual policy. A Life Insurance policy is truly a "Declaration of Financial Independence," and constitutes an essential part of any man's estate.

THE MANHATTAN LIFE INSURANCE COMPANY

654 Madison Ave., at 60th Street
NEW YORK CITY

Founded in 1850

Thomas E. Lovejoy, President

tual, will speak, and Mansur B. Oakes, Insurance Research & Review, will report on the Million Dollar Round Table at Pittsburgh last week.

Des Moines—Elbert Storer, newly elected president of the National association, will address the Des Moines association Oct. 14.

Dayton, O.—Howard Egbert, former newspaper man, now with the Dayton Power & Light Co., Dayton, O., addressed the Dayton association on "Public Relations." F. C. Holloway is the new president of the association.

Flint, Mich.—L. A. McKinnon, National Life of Vermont, has been elected president of the Flint association. J. W. Allen, Michigan Life, is first vice-president; Allen Beam, second vice-president, and J. C. Taunt, Crown Life, secretary-treasurer. The executive committee consists of E. J. Dumas, John Hancock; J. A. Carlson, Northwestern Mutual; H. A. Broesbeck, J. D. Cameron, Equitable Life of New York; C. W. Adams, Aetna Life, and I. A. Wilbur. C. T. Holmes, Lafayette Life, is the National association executive committee man.

District of Columbia—The District of Columbia association had as its first speaker of the year Hendrix Davis of Houston, Tex., one of the leading producers of the Aetna Life and president of the life underwriters association there. D. S. Bethune is president of the local association.

Columbus, O.—The first fall meeting of the Columbus association will be held Oct. 2. J. W. Ray, Travelers, is the new president. Ely D. Miller, Provident Mutual, is secretary. It is announced that this meeting will be "something different" from any ever held by the association.

Oakland, Cal.—Members of the East Bay (Oakland) association heard Dr. B. W. Black, medical director of Alameda County, discuss "Life Insurance a Remedy and a Permanent Cure," at their September luncheon meeting.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

Girard Life Offers New Form

Issues Family Income Agreement for Use With Ordinary, Limited Pay, Endowment Policies

The Girard Life has issued a family income agreement to be attached to its ordinary, limited pay and endowment policies. The extra premiums for \$10 monthly income for 20, 15 and 10 year periods are given below. Waiver of premium disability can be secured for an additional premium.

\$10 Monthly Income for 20 Years

Age	1	2	3	4	5	10	20
20	\$ 8.68	\$ 8.42	\$ 8.14	\$ 7.54	\$ 5.77	\$ 0.40	
25	8.97	8.71	8.44	7.86	6.10	.45	
30	9.37	9.12	8.86	8.31	6.63	.55	
35	9.96	9.74	9.50	9.02	7.48	.73	
40	10.89	10.73	10.56	10.19	9.06	1.03	
45	12.42	12.39	12.36	12.35	12.02	1.54	

\$10 Monthly Income for 15 Years

Age	1	2	3	4	5	10	15
20	\$ 6.98	\$ 6.65	\$ 6.30	\$ 5.54	\$ 3.29	\$ 0.37	
25	7.21	6.87	6.53	5.77	3.49	.40	
30	7.53	7.20	6.85	6.10	3.78	.45	
35	8.01	7.69	7.35	6.63	4.27	.55	
40	8.76	8.47	8.17	7.48	5.17	.73	
45	9.99	9.78	9.56	9.06	6.86	1.03	
50	12.32	12.30	12.36	12.02	9.75	1.54	

\$10 Monthly Income for 10 Years

Age	1	2	3	4	5	10
20	\$ 4.97	\$ 4.55	\$ 4.11	\$ 3.65	\$ 3.16	\$ 0.35
25	5.13	4.71	4.26	3.79	3.29	.37
30	5.36	4.93	4.47	4.00	3.49	.40
35	5.70	5.26	4.80	4.31	3.78	.45
40	6.23	5.80	5.33	4.82	4.27	.55
45	7.10	6.70	6.23	5.73	5.17	.73
50	8.76	8.42	7.99	7.48	6.86	1.03
55	11.81	11.51	11.07	10.51	9.75	1.54

Reduces Disability Limit

The Massachusetts Mutual Life has reduced its age limit on disability from

60 for men and 55 for women to ages 50 and 45 respectively.

Connecticut Mutual Life

A new graded premium ordinary life is announced by the Connecticut Mutual Life. It eliminates to a large extent the disadvantages of term insurance, being but one policy with conversion unnecessary.

Premiums are conveniently graded the first five years. The first annual premium is about one-half the fifth, and the second, third and fourth are graded accordingly. The fifth and following premiums are level.

Double indemnity and disability benefits will be issued with the new policy.

When
you drive to
DETROIT



...stop at Hotel
Fort Shelby.
The Fort Shelby
Garage is con-
veniently locat-

ed to the Hotel. Automobiles of guests arriving or leaving are called for and delivered without service charge. If servicing is required your car will receive the careful attention of skilled mechanics for a most economical tariff. This service is just another proof of Hotel Fort Shelby's ability to make your Detroit visit a pleasant one. You'll be delighted, too, with Hotel Fort Shelby's beautiful, commodious rooms . . . its tempting delicious foods . . . inviting lobby . . . enviable location and attractive rates. 900 units . . . all equipped with servitor and private bath. Rooms as low as \$3.00 per day . . . suites \$10 and upwards.

Motorists are relieved of their automobiles at the door without service charge. Write for free road map, and copy of "Aglow with Friendliness," our unique and fascinating magazine.

Fort
HOTEL **Shelby**
E. J. BRADWELL, Manager
DETROIT

"AGLOW WITH FRIENDLINESS"



The World's Tallest Hotel
46 Stories High

2500 ROOMS \$3.00 UP

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as well as any other agreement which is now regularly issued with the ordinary life contract.

Business Men's Assurance

The Business Men's Assurance of Kansas City has revised its group life policy, master policy G-151 being replaced by form L-79. Principal changes concern total and permanent disability provisions and are in line with action of a majority of the larger companies issuing group. Heretofore the practice of paying full amount of benefits on proof of disability made it important that the company be assured of permanency of disability before making settlement. In many instances, the degree of permanency could not be immediately determined, making it necessary to delay payment for some time, and working a hardship on insured. The new form provides that commencing six months after receipt of due proof, payment will be made in equal monthly instalments of \$18 for each \$1,000 insurance in force, with minimum monthly instalment \$27.

Pacific States Life

The Pacific States Life has issued a new select risk ordinary life policy for a minimum amount of \$2,500. It is a non-participating contract and the rate for age 35 is \$19.75.

Monarch Life

The Monarch Life of Massachusetts has increased its rates on waiver of premium on disability. The rates for regular premium, including waiver of premium, at age 35 for the various policies follow: Old life special, \$5,000 basis, \$110.12; endowment at 35, \$1,000 basis, \$23.24; 20-pay endowment at 35, \$31.47; 20-year endowment, \$44.86.

The Monarch Life is no longer insuring disability benefits beyond age 55.

Kansas Agent Makes Conservation Record

An unusual conservation record has been made by Edward Dunkelberger, a Kansas agent for the Massachusetts Mutual Life, working under A. D. Lynn, general agent at Wichita. He lives in a town of about 1,500 people, about half his policyholders being business men and half farmers, both located in a section where wheat brings from 25 to 30 cents a bushel this year. In spite of that fact, nearly 95 percent of the business he has written in the past five years is still on the books.

Mr. Lynn gives his record for the five years as follows: 1926 (8½ months), amount written \$63,695, in force Sept. 1, 1931, 93 percent; 1927, \$109,500 written, 100 percent now in force; 1928, \$168,000, 89 percent; 1929, \$156,500, 95 percent; 1930, \$134,500, 97 percent. Every year he has had 100 percent deliveries of all business written and also 100 percent of all cases prepaid with applications.

In commenting on Mr. Dunkelberger's record Mr. Lynn says: "I believe it demonstrates that the greatest single factor in conservation is for the business to be well sold in the first place. Mr. Dunkelberger's policyholders are remarkably well informed about their policies. The policies are only loaned on as a last resort, and approximately 50 percent of them have dividend accumulations untouched."

A. O. U. W. Annual Congress

The annual congress of the A. O. U. W. will be held in Newton, Kan., Oct. 4-6, with an attendance of over 150 presidents and delegates from chapters throughout the United States and Canada expected. Lieutenant Governor J. W. Graybar, past president of the order, heads the convention committee. Bradley C. Marks of North Dakota is president and a number of nationally prominent speakers will be on the program.

The Bankers Life of Baltimore, which was incorporated in July, plans to make application for a license in New Jersey.

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James P. Heron's new book deals almost exclusively with selling Industrial Insurance and is intended solely for the man "on the debit." It is one of the few books ever presented to the insurance world with the express purpose of aiding the Industrial Agent.

The author has been intimately associated with Industrial Insurance for almost thirty years. His experience as an Agent, as an Assistant Manager and as a Manager of one of the large Companies enables him to deal authoritatively on the subject of "Writing Industrial Insurance."

The book is in three parts:

- Part I, "How to Develop the Debit," is a series of twenty business-getting canvasses so designed that the agent is enabled to develop prospects, uncover their needs and present a "service" that practically guarantees a "sale."
- Part II, "Canvassing New Families," offers approaches to "new families" that practically eliminate the old method of "straight" or "raw" canvassing.
- Part III, "Planning the Work" presents systematic working methods which will go a long way to insuring the agent's success.

A partial list of Chapter Headings:

Taking a Census of the Debit— The Opportunities Offered for Writing Business While Doing So	Combination of Policies
Change of Age Argument	Final Opportunity to Obtain Limit of Insurance
Industrial Policies to Cover Loans on Ordinary	An Actual Canvass
Who Is Your Undertaker?	Canvassing New Families
Family Group Coverage	Business Inquiries—An Ideal Ap- proach Into New Homes
Endowment on the Mother for the Baby	Plan Your Work
	Plan Evening Work for Week

By mastering the canvasses in Part I and following the instructions in Parts II and III, THE NEW AGENT WILL FIND A CLEAR AND DEFINITE ROAD TO SUCCESS. The experienced agent, when production is low, will find new initiative and courage by turning to the canvasses in Part I.

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Life Presidents Select F. H. Ecker to Preside

(CONTINUED FROM PAGE 1)

be studied at our forthcoming silver anniversary convention. The central theme will be Progress Through Self-Reliance—The American Plan.

"During its quarter century of existence, it has been the association's privilege to witness the most rapid expansion in the history of the business. Growing sturdily as well as steadily, life insurance has contributed to advancement in other lines of activity. It has become increasingly an integral part of our civilization.

Increase of \$1,250,000,000 in Force

"That self-reliance is still an important factor in American life is shown by an original survey recently completed by the association. There has been so much surmise as to the possible double effect of the slackening in new business production and the increased lapsation of policies on the total volume of insurance in force, that exact statistics as to the situation have been gathered. It was found that the total insurance in force for all United States legal reserve life insurance companies on June 30, 1931, exceeded \$109,250,000,000. Thus there is indicated a net increase of \$1,250,000,000 in the outstanding insurance in United States companies the first six months of 1931. While this net increase is not in keeping with the pace made in recent years, it does show that up to date the total life insurance protection has not been diminished, but, on the contrary, has made a substantial gain. More complete data on this subject, showing the approximate amount of life insurance which will be in force in the United States at the end of the year, and also the amount of new protection sold during the year, will be presented at the opening session of our convention.

Investments to Be Considered

"Current trends in the investment of life insurance funds, showing types of securities purchased and the flow of such moneys into business and industry in all parts of the country, will be considered.

"Total amounts to be paid during the year to policyholders and beneficiaries also will be reported to the meeting. These disbursements of self-reliance accumulations, which have been running around two billion dollars annually during recent years, are expected to set a new high record in 1931.

"In attendance at the convention are expected representatives of companies having 90 percent of the life insurance in force in the United States and Canada. Citizens of these two countries have about three-quarters of the life insurance in force in the entire world. The United States and Canada lead the world in the amount per capita of life insurance in force. Data showing the latest figures on world life insurance, compiled with the cooperation of the United States Department of Commerce, will be reported to the meeting.

Nation-wide Representation

"It is hoped that discussions by leaders in industry, agriculture, statesmanship, education and other prominent fields of endeavor, as well as life insurance, will induce a strengthening of business faith by emphasizing the importance of self-reliance as a factor for economic progress.

"An industrial leader, bringing to the platform his wide knowledge of the vast field of world communications, will discuss the relationship of scientific research to self-reliance in business. The middle west will be represented by a United States senator intimately familiar with local and national problems. The president of one of the country's largest centers of learning will come from the Pacific Coast to contribute the voice of education. From the northwest will journey an agricultural expert who will tell of the progress made by his section in solving farm problems. Charles D. Livingston, Lansing, Mich., president National Convention of Insurance Commissioners, will bring a message.

Canadian Minister to Be Present

"It is a particular pleasure to announce that the Canadian minister to the United States, Maj. William Duncan Herridge, a leading statesman, high in the councils of his country, has accepted an invitation to speak from our platform."

With the **Unique Manual-Digest** you have a complete reference book that will give you a quick, concise answer to practically any question as to the financial and insurance position, the policy provisions, rates, dividends, histories, values, and general information regarding an American Life Insurance Company. Order at your company club rate from The National Underwriter.



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President

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old-fashioned in
spirit yet strikingly
modern in manner.
Six hundred fireproof
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Three restaurants
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Life has to offer YOU. For the
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Pittsburgh Meet Sets a High Mark

(CONTINUED FROM PAGE 1)

were surprisingly successful, being enthusiastically attended. Although there is a definite place for these two additional attractions, the inclusion of new "side shows" should not be indiscriminately decided upon. There is a limit to the amount of the spoken word that can be absorbed, and the suggestion is made that extra features should not be so multiplied as to detract from the big show or to make the convention too unwieldy. Even this year there were many members who were either called upon or wanted to be at two sessions at the same time.

The attendance at the managers' section was surprisingly large, bringing the registration before the opening of the convention proper to 1,050. The total registration, 1,709, also set a new high mark.

The decision of the Pittsburgh association to prepare a prospectus on how to arrange for a national convention should be a big help to other cities. The Pittsburgh men found that they had to plan as if there had never before been a national convention. The experiences and lessons of the past were not available.

Politics at the Meeting

Everyone remarked favorably on the happy solution of the complicated political puzzle. Elbert Storer, Indianapolis, Bankers Life of Iowa, will make a splendid president. Representing a middle western company, he should attract many agents of companies in that section to the ranks. All other contenders were put in line to advance to the presidency in the course of time.

Because of red tape, it was found impossible to make W. M. Duff, head of the E. A. Woods agency, a trustee. It was desired to honor Mr. Duff and he had been mentioned for the presidency, but withdrew. Then Mr. Storer selected him as one of three new trustees, but it was discovered that the constitution and by-laws require trustees to be executive committeemen and Mr. Duff did not qualify.

Plenty of Humor

The sessions were not without humor. Professor Irwin, a Scotchman, confounded the audience with a string of rapid fire, brand new Scotch jokes at the conclusion of his formal address. Mr. Gray kept the audience doubled up during most of his address, with personal anecdotes of his life insurance experience, beginning with the one about his first interview, in which, he said, "Good morning, Mr. Jones, I am Gray representing the Prudential Insurance Company" and got the response, "That's all right with me, but don't do it around here."

Senator James J. Davis of Pennsylvania made a decided hit with his

strong defense of the American agency system at the closing session. "Insurance is sold, not bought," he said. "It takes time and money to develop able salesmen and it takes real men to sell life insurance. I have in mind the venture of one of our prominent states which started out to sell insurance, but it didn't have any agents and the people didn't buy. The best way to develop this country is to keep the government out of all business."

Trust Official Well Received

Gwilyam Price of the People's-Pittsburgh Trust Company also made a deep impression at that session with his statement in regard to the status of trust funds in closed banks, summarizing briefly the talk he had made on that subject at the trust company luncheon the previous day. He pointed out that deposits represent merely an indebtedness of the bank to a depositor and are for the time being the property of the bank, but that trust funds remain the property of the trust estate and do not in any way become the property of the bank or a part of its assets. He told of the procedure followed in the transferring of trust accounts from failed banks, particularly in connection with the disastrous series of failures in Carnegie a few years ago, and also the recent crash of the Bank of the United States in New York City, and said that there has never been a case in Pennsylvania where there has been any loss of trust funds through a bank failure.

Entertainment features were pleasant. Wednesday night there was a reception for President George E. Lackey and Mrs. Lackey and Thursday was the speechless banquet. Several hundred enjoyed the four-hour bus ride through Pittsburgh, stopping for lunch with 57 courses, more or less, at the Heinz pickle plant.

May See Weeding Out

(CONTINUED FROM PAGE 3)

From the soliciting agent's point of view, his production and consequent earnings will have to determine whether it is worth while for him to keep on selling insurance. Usually, however, if the business he writes is good business and if he is satisfied to keep plugging along at whatever he is making, the average general agent would be glad to keep him on his full time staff.

Minnesota Mutual Regional Meet

A regional meeting of general agents of the Minnesota Mutual Life was held in Indianapolis to outline sales plans put into effect the first of the year, which have been especially successful in other sections. H. J. Cummings, vice-president in charge of agencies, and E. J. Evans, supervisor for the mid-eastern states, were on hand. General agents from Columbus, Springfield, Evansville, Cincinnati and Indianapolis attended.

ASSETS GAIN NEARLY 15 MILLIONS

Total Admitted Assets, December 31, 1930:

\$148,905,570.40

Total Admitted Assets, December 31, 1929:

\$133,931,890.94

Gain, 1930 over 1929:

\$14,973,679.46

Bankers Life Company

GERARD S. NOLLEN, President

Established 1879

Des Moines, Iowa

of life
for life
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Standard and
sub standard insurance
Men, Women, Children

The Lincoln National Life Insurance Company, Fort Wayne, Indiana.

THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Disability and Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

The Mutual Life Insurance Company of New York

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Life Insurance Men of Vision Know That the Greatest

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The Solid Growing Company Officered by Men Who Are Agency Minded

WE HAVE THE TOOLS

Participating and Non-Participating Policies—Men and Women on Equal Terms—Total Disability and Double Indemnity

Circularization Aids—Supervisor's Help—Direct Contracts, Human Relations, Liberal Contracts and Special Producer's Clubs

If You Are Ready for a General Agency There Is Desirable Territory Open in
IOWA—NEBRASKA—MINNESOTA—AND SOUTH DAKOTA

THE OLD LINE CEDAR RAPIDS LIFE INSURANCE COMPANY

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For those who want to be associated with a Company that has age, stability and deals in a friendly, uplift way with field workers.

Union Mutual Life Insurance Company

Portland, Maine

Incorporated 1848



NO DEPRESSION for this man

He sells something that everybody needs—the protection afforded by United Life policies which contain ALL IN ONE CONTRACT:

LIFE INSURANCE WITH DOUBLE AND TRIPLE INDEMNITY FOR ACCIDENTAL DEATH.

NON-CANCELABLE, NON-PRO-RATABLE WEEKLY ACCIDENT INDEMNITY.

WAIVER OF PREMIUMS AND MONTHLY INCOME FOR TOTAL AND PERMANENT DISABILITY.

In addition to attractive policy contracts in the form of ordinary life, limited payment life, endowments, monthly income, educational endowments, and juvenile insurance he offers

THE INCOME INDEMNITY CONTRACT—THE NEVER FAILING SUBSTITUTE FOR THE SALARY CHECK

His advice to ambitious agents is this: Get in touch immediately with

UNITED LIFE AND ACCIDENT INSURANCE COMPANY

Home Office: United Life Building
CONCORD, NEW HAMPSHIRE

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

ALL PREMIUMS RETURNED

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%
Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter

If you reside in Ohio, Illinois, Indiana, Kentucky, Louisiana, Pennsylvania, Tennessee, West Virginia or the District of Columbia

Write for Sample and Particulars

This is one of many unique contracts issued by

Federal Union Life
FRANK M. PETERS, President
Cincinnati, Ohio

AGENCY MANAGEMENT

Big Problem Before Offices Is Conservation of Business That Is Now on the Books

There is no bigger problem before offices today than the conservation of business on the books, especially in view of the multitude of loans that have been made. People are still in the borrowing mood. Many have been forced to use their insurance as a sort of last fortress. They have exhausted other resources. In some cases, undoubtedly banks have encouraged policy loans. People would go to banks to endeavor to get money. The banker in order to avoid making the loan and to get out of an embarrassing situation asked the applicant whether he carried life insurance. If he did, and there was any equity in the policy the suggestion was made that a loan be applied for. Undoubtedly the banking fraternity has had much to do with the increase in policy loans.

Go to Insurance for Relief

The economic pressure has sent hundreds of thousands of people to their life insurance policies for relief. Every home office and general agency has had to increase its working force in order to take care of the details of policy loans. While home offices dislike to see this abnormal situation they realize that loan values are a part of the life insurance contract. Life insurance has been popularized in a way that it never has before. It is no longer regarded as a "death to win game." People have found that their life insurance has been a saving grace in time of great business distress. Loan values have saved many a home and kept many a family from want. Thousands have had to fall back on their life insurance to carry them over and tide them through a distressing experience. Hundreds of men who saw their business foundations crumble have rushed to their life insurance and there have gotten the money to save the day. There is an entirely new talking point therefore in the salesman's appeal.

Many Policies With Loans

Every agency has these loaned policies on its hands. In some cases the equity is entirely gone and in others there is considerable value left. The question arises with the supervising officers as to what course shall be pursued. Some companies evidently are sitting back and waiting until a policy lapses and then attempt to reinstate it or do something for the policyholder. There is a fear that if he is approached and his insurance situation explained he may conclude to lapse his policy.

A general agent who is having con-

siderable success in holding his business states his method of procedure:

"We study each case individually. We have established a formula and use that as a basis. We take a man's premium and add to that the interest he is paying on his loan. Then we ascertain what new insurance will cost him at his age. Our company is participating and therefore we deduct the dividend from the premium and interest. If we find that the premium and interest exceed the amount that he should legitimately spend for new insurance we do not hesitate to advise him to cancel his old policy and take a new policy with us. We do not wait until the time comes for the premium notice. A general or soliciting agent intuitively knows after studying a case whether that policy will be kept up or not.

Subject to Outside Attack

"Every policy that has a considerable loan on it is subject to attacks from the outside. Therefore we very carefully and frankly explain to our policyholders the position they are in with regard to loans. If we find that one can with advantage to himself keep up his policy and gradually reduce the loan we advise that course. However, we do not hesitate to advise the cancellation of a policy and the purchase of new insurance if that seems to be to his advantage. This work has to be done intelligently and conscientiously. I decide on all these cases just what is the proper course to pursue and whether the agent is to receive a commission on new insurance. By following this procedure we have succeeded in reducing the lapse ratio materially in our office. We have not taken it for granted that a policyholder will continue his insurance with us. I have sent an agent to every policyholder with a loan and had the situation explained carefully to him, telling him that he could get much better service with us than he could with another company.

Requires Individual Study

"In my opinion the conservation of business means individual study. If an agent advises everybody to repay his loan he is not sincere. There are plenty of cases where a man will be benefited by cancelling his insurance and taking new. We should be perfectly frank about it. This is no time to be hypercritical or technical. An insurance policy is not sacrosanct if another policy will serve the cause better and meet the

New Agents Training Course

Vice-President and Superintendent of Agencies Stephen Ireland of the State Mutual Life is announcing a new training course for instruction of agents just starting in to work. There are six books, one for each working day of the first week. They cover prospecting, why people buy life insurance, sales suggestions, clean up fund, kit of tools and answering objections. The course endeavors to bring a new man as quickly as possible to the point where he can earn a living by selling life insurance. Mr. Ireland believes that one of the major fallacies in training pro-

grams has been an overemphasis on what is conveniently termed "essential information." He declares of far greater practical value to the new man in his endeavor to get into early production is the development of good work habits, skill in selling and positive mental attitude toward the life insurance business. The general agent's manual for the use of this training course outlines by days a definite schedule for the first week's training program as well as definite plans for work for the second and successive weeks, so that nothing is left to chance.

individual's needs more specifically. A man's financial condition, his income, his obligations, his outlook, everything must be considered and the question must be decided for his particular benefit and not for the special benefit of the agency or the company. In the long run, however, what benefits the policyholder benefits the company and the agency."

"*Selling Life Insurance*," by John A. Stevenson, gives selling suggestions, selling plans, and definite methods of procedure which have proved highly successful in life underwriting. Price, \$3.50. Order from The National Underwriter.

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SELLING POINTS CLASSIFIED (Accident & Health) \$0.50

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A loose-leaf collection of over 40 diagrams, pictures, cartoons and illustrations, to be used in demonstrating to prospects the benefits of accident and health insurance. All who use it praise it most highly. Contains one special eight-page can-vas in two colors.

THE ACCIDENT AND HEALTH UNDERWRITERS GUIDE \$7.50

By E. Hauschild, assistant secretary of The Continental Casualty Company. Lists physical impairments and outlines accident and health underwriting treatment.

THE TIME-SAVER \$4.00

Which contains an analysis of commercial accident and health contracts issued by leading stock, mutual and mail assessment companies. Published every November.

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429 East 4th Street, Cincinnati, Ohio.

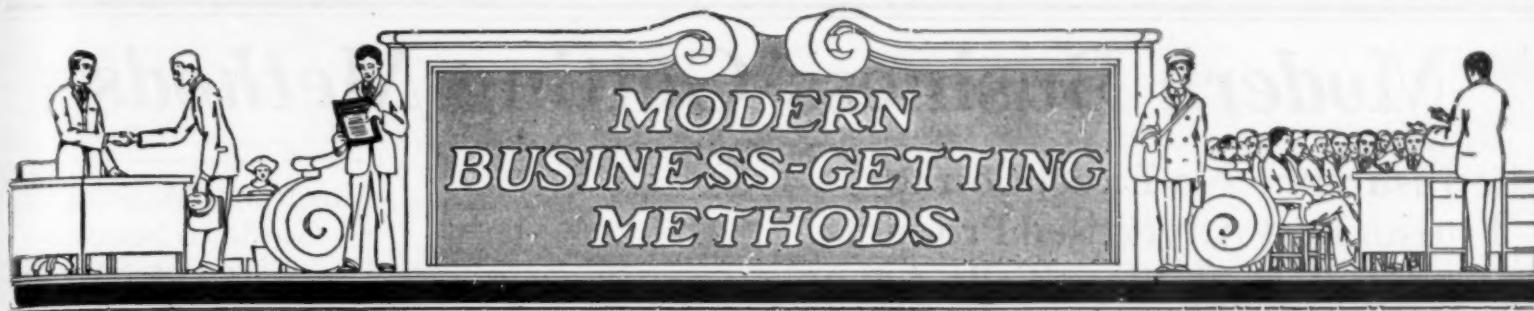
GENTLEMEN: Please send me items checked above.

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COMPANY

ADDRESS

(With orders of \$2.00 or less, check or draft should accompany order.)



Answers to Financial Questions on C. L. U. Examinations Are Given

(CONTINUED FROM LAST WEEK)

QUESTION 8

In 1929 a number of American corporations sold common stocks, using the proceeds from the sales to retire their bonded indebtedness. In view of the fact that some of these companies have since either reduced or suspended their cash dividends on their common stocks, do you think their policy of debt retirements was sound? Answer fully from the viewpoints of the various parties affected by this policy.

ANSWER

From the point of view of the corporations, the retirement of their bonds meant the elimination of a fixed charge, which is greatly to be desired. If they make profits, they may pay dividends to their common stockholders; but if there are no profits, no demand can be made by such stockholders. Moreover, they are now in a position to issue new bonds on the same property, if that should become desirable.

From the viewpoint of the bondholder it may have caused some inconvenience in finding a new investment for the funds received from the sale of bonds. Assuming the man who owned the bond did not buy stock, he was in a very good position. In 1929 the price of bonds was generally lower than par and he was able to buy other bonds at a price to yield a good return. If the man who owned a bond accepted common stock in exchange he most likely did not profit by the exchange, and on the other hand, if he placed the proceeds of his bond in a bank which remained solvent, he was able to take advantage of the investment opportunities of 1930 and 1931.

* * *

From the standpoint of the stockholder who owned common stock before the change was made, he is in a better position as far as distribution of assets upon liquidation is concerned. However, from the standpoint of possible future dividends, his advantage would depend upon whether the nature of the business is such that a small portion of outstanding bonds would increase the possible earnings of the common stock. To illustrate, assume a capitalization of \$500,000, including stock only and earnings of \$50,000 which represent a 10 percent return. On the other hand, if the \$500,000 includes \$300,000 stock and \$200,000 in 6 percent bonds, the earnings of \$50,000 would first be used to pay the \$12,000 bond interest, leaving \$38,000 for \$300,000 of stock, which represents a return of 12½ percent. Stockholders as a class had their equity in the corporate assets increased and it is possible that even the assets were increased because money was secured from the sale of stock at a relatively high figure in 1929. This was used to retire bonded indebtedness. The book value of the stock which replaced this indebtedness was probably much lower than the amount received by its sale. Thus an amount was available for surplus. Furthermore, it removed a prior lien against the assets and earnings of the com-

panies and a greater portion would be available for stockholders.

The fact that some of these companies have since reduced or suspended cash dividends further illustrates the wisdom of this policy. If they are now unable to show sufficient earnings to pay dividends after being relieved of the fixed charge of bond interest, what would have been their position if they had been under the necessity of paying interest on bonds or defaulting? It seems to me that many who will be able to weather this storm merely by withholding dividend payments would otherwise have defaulted on bonds and so been forced into receivership or bankruptcy.

QUESTION 9

It has been said that one of the cardinal principles of an investment program is diversification with a view to minimizing risks.

(a) Define or explain the meaning of the italicized words.

(b) Outline a program of investment, incorporating the above principles, for an unmarried man, 45 years old, having a net annual income of six thousand dollars, and ten thousand dollars in cash.

ANSWER

(a) *Investment* is a commitment for the purpose of earning income, as distinguished from speculation which seeks its return from an advance in market price. Safety of principal is assumed. *Diversification* consists in spreading one's capital over a number of risks, instead of putting it all in one or a few enterprises. The spread should be made over different kinds of securities, in different industries, and in different geographical locations.

Risks are the chances which an investor runs of not being able to recover the full value of the capital which he has invested. Risks vary in degree, and the degree is roughly indicated by the rate of interest paid. There is, at least theoretically, a true interest rate, and anything over that rate is the return for the risk taken.

(b) A program of investment for an

unmarried man of 45 must first of all guarantee to him complete security against loss of income producing ability in event of incapacity to work due to illness, disease or old age. Therefore, I would urge as a first step, the purchase of annual premium endowment insurance or a deferred annuity at age 60 or 65 for enough money to produce a life income sufficient to meet his needs. This contract would have the waiver of premium for disability benefit as well as the disability income feature. It could be bought out of current net income.

* * *

The \$10,000 in cash which he now has should be invested in the highest grade, most liquid security so that a cash emergency fund would be available. With diversification in mind, the sum should be invested in single premium endowment insurance or split among government, public utility, railroad and industrial bonds with at least \$1000 reserved for a bank account.

That part of his income which is not needed to pay for his insurance or annuity could be divided between further purchases of good bonds and a small part of it might even be placed in high grade, dividend paying, common and preferred stocks.

QUESTION 10

It has been maintained that the common stocks of many of our well managed corporations partake of the nature of investments. Do you agree with this contention? Apply as tests the principles of sound investments.

ANSWER

Common stocks partake of the nature of an investment only to a limited extent because they can meet only some of the tests of an investment which are as follows:

(1) Safety of principal—Common stocks of well managed corporations are subject to changes both within and without the industry. Bad business conditions, new inventions, changes in demand, etc., may destroy the values of even a well-managed corporation; and how can one be sure that good management will be continuous?

(2) Safety of yield and steadiness of yield—These likewise are subject to so many fluctuating factors that one

Fallacy of Poor Territory

H. F. Berls, one of the agency managers of the Equitable Life of New York in Chicago, in his office bulletin brings out some excellent thoughts for the man who complains about his territory and opportunities. The bulletin says, under the caption "That Fallacy of Poor Territory":

"If I could just get a crack at the big boys, I would show you how to sell life insurance." Have you ever said it—have you ever heard it said? Back of the statement is one of the most serious delusions life insurance men allow themselves to accept.

"The principles of life insurance selling are exactly the same, as far as fundamentals are concerned, whether the prospect is a farmer's boy or a banker's son.

"If you can't drive out this afternoon

and sell a \$2,000 policy to a country school teacher, you would never be able to sell a \$25,000 policy to a city superintendent of schools. If you can't go to the boy who runs the filling station and show him how life insurance will help him save his money, you couldn't go to the successful young business man and sell him. If you can't go to your grocer and show him how \$5,000 of insurance will save his business at his death, you couldn't show a manufacturer how \$500,000 would save his business for him.

"If you can't work out the financial problems of the man who has a small income, how can you possibly work out the problems of the man who has a large income? The first step to a bigger success always has been 'success where you are now.'"

Sales Tips for Success in 1932 Are Presented

A terse summing up of the qualities which spell success in life insurance solicitation this year is presented in the office bulletin of the Rockwood Company, general agents Travelers, Chicago. "Now is the time to remember," the Rockwood Company emphasizes, "1. That the life insurance men who are selling ahead of last year are doing so because of: (a) greater exposure, (b) to a more carefully selected prospect list, (c) with sales arguments that fit the prospect's current problems.

"2. That aimless selling cannot succeed today; no man will buy because your plan is attractive, but he will buy because of the attractiveness of what the plan will do for him.

"3. That the prospect knows all about life insurance, but he doesn't know of the way in which life insurance can solve his problems today.

"4. That now is the time to see the prospect with one key issue in mind—and stick to that issue."

can only say they are more or less hazardous.

(3) *Marketability*—In this respect, many stocks are good. They are frequently listed on a large Stock Exchange, and can be readily sold. But this does not preclude losses.

(4) *Collateral value*—Such stocks usually have a large borrowing value, but the same internal or external conditions which affect their capital value and their yield, also affect their value as collateral.

(5) *Care and attention demanded*—Such stocks require careful and continual vigilance. They require the time of the stockholder, therefore, and also demand specialized knowledge.

(6) *Possibilities of capital gain*—There is considerable possibility of capital appreciation, but there is always a corresponding possibility of capital loss. The greater the possibilities in one direction, the greater in the other.

(7) *Taxability*—In this respect, they are very poor, being subject to property and income taxes during life, and to the estate and inheritance taxes at death.

(8) *Duration*—Inasmuch as a corporation exists in perpetuity and as such stocks are readily marketable, they can be held for as long or as short a time as desired. They do not have maturity dates as do bonds.

(9) *Size of investment unit*—This is quite satisfactory for the man with large funds but is not always satisfactory for the man of small means for investment. The stocks of such corporations are frequently high in price, and consequently the man with small funds must put too large a proportion in one basket.

It seems to me, therefore, that because of the various hazards mentioned, such stocks are not real investments. The possibilities of new inventions, new methods, shifts in demand, as well as the possibility of less competent management, make such stocks more unstable than a real investment should be.

Modern Business-Getting Methods

Life Insurance No Exception to Truism Best Advertised Products Sell Best, Bayless Tells Agents

The truism that the best advertised goods sell the best is applicable to life insurance as well as to tangibles, according to A. C. Bayless, general agent for the Southland Life in Houston, who addressed the agency convention of the Columbus Mutual Life in Toledo. Mr. Bayless, who has had newspaper experience, said that in his 12 years in Houston he had spent \$72,000 for advertising, including newspaper, direct by mail and poster.

Advertising, Mr. Bayless declared, will not bring prospects to the agent's door, for the only person who asks for life insurance is one with high blood pressure or kidney trouble, but it does create confidence and gives prestige.

Inasmuch as life insurance agents are not in the habit of advertising the agent who does use newspaper columns is likely to be the only agent in town doing it. Mr. Bayless said there is still a great opportunity for the agent to get the jump on competitors. He suggested that agents not only use paid advertisements, but that they seek publicity in the news columns, for instance for winning some recognition from their companies because of production.

Suggests at Least Ten Inch Space Twice Week

Mr. Bayless suggested that in a town where the paper charges 32 cents an inch that the agent insert an advertisement of two columns by five inches twice a week, which would cost \$6.40 a week.

If the agent, by following up the advertising with aggressive solicitation, can't write more insurance by advertising than by not advertising, Mr. Bayless jocularly offered to pay the cost of the first year's advertising.

Mr. Bayless told of an interesting prospecting stunt he used with success. He sent out a cigar and match box combination and a card with the inscription to the effect that as the recipient is blowing the smoke ceilingward, he should think of some one who needs insurance. These gifts were delivered by a boy dressed up in a special uniform. This costume attracted great attention and not only resulted in getting new prospects, but in the sale of additional insurance to those who had received the gift.

Mr. Bayless urged agents to be proud of their business. "Just because you are a life insurance man, is no reason why you should be down trodden," he said. "Instead of having a whipped feeling when I am turned down by a prospect, I am glad of it because I have done my duty and made another call."

Help of Wife Needed in Shift From Salary Basis

Mr. Bayless sandwiched in a number of other tips and hints to agents.

One of his observations was that men entering life insurance selling are often discouraged by the attitude of their wives. The wife of a man who has been in a salaried position, according to Mr. Bayless, is likely to nag her husband when he starts life insurance selling and tries to get him back on a salary basis. For that reason, Mr. Bayless said women are invited to attend the meeting of the agents' association at Houston. They are introduced to the spirit and problems of the life insurance salesman.

The speaker advocated that those who are on a part time basis "burn

their bridges behind them." He said "side lines are slide lines" and that a man can't serve two masters.

Another tip was for the agent not to pull out his rate book when talking to a prospect on the street, for this may get to a competitor and the prospect may be lost. Mr. Bayless said that he never enters a big office and talks to a man whose desk is in the open. He always gets him alone some place.

Small Business Run by Two Partners Prospect

Mr. Bayless told the agents not to overlook small businesses operated by two partners. In Texas, he said, the business is locked up on the death of one partner and the second can't even open the safe. A policy should be sold on each partner for the benefit of the other.

Often a prospect is cold to an insurance proposal because of the imminence of divorce or some other domestic unpleasantness. A man of that kind can often be interested in insurance to protect his business.

In order to get cash with policy, Mr. Bayless suggested the trick of asking after the application is signed, "What bank do you do business with?" This should be used instead of some such question as "Is it convenient for you to give me a check?" The agent should have checks on various banks or blank checks at hand to show before the prospect.

The agents of those companies which do not sell non-medical insurance should get the cooperation of doctors. Many

physicians, he said, resent the non-medical practice.

Another bit of advice was not to leave sample policies with a prospect. He suggested that to a prospect who asked for a sample policy to take home and study, that the agent say, "How many operations do you take home?" How many John Doe policies ever pay to Mary Doe?"

Chance for Intensive Selling on Mother's Day

Mother's day can be made an occasion for intensive solicitation. "You can build up a wonderful talk to a boy of 18," he said.

Mr. Bayless said that the agent doesn't have to play golf with prospects. Indeed, this is sometimes a mistake. "You give a man a big rush with the idea of cultivating him and selling him insurance," Mr. Bayless declared, "then after you have sold him, you quit playing golf with him and he is likely to feel that he has been worked."

When writing a large case in which many agents are sharing, Mr. Bayless suggested that word of the application be wired to the company and the application be sent air mail so that the company can get its reinsurance.

How to Approach Client Who Has Been Rated Up

When a man has been rated up, instead of informing him with a dolorous look of that fact, Mr. Bayless suggested the agent compliment him on the fact that he was able to get insurance. For instance, he might approach his customer in this way: "Hello Lucky, they gave you a policy and you're half dead."

The agent should take advantage of a man building a new house or buying a house. "If you pay 7 percent, we will wipe that mortgage off tomorrow," Mr. Bayless suggested as a good approach to a new home owner.

Mr. Bayless says he takes genuine

Shows Method of Analyzing Needs

"The Estate and Tax News," issued by the Harris Trust & Savings Bank of Chicago, gives an illustration of how an analysis should be worked out giving the insurance needs of a client. It says:

The carrying of insurance has become almost a universal habit. In many cases, however, the purchase of insurance has been made not on the basis of any analysis of the insured's needs and means, but upon a vague notion that "every one should have some insurance." One of the most important functions of insurance is to make adequate provision for dependents in the event of death. How can one determine how much insurance is required for that purpose? Let us take the case of A, 45 years of age, who wishes to provide for his wife and child. He estimates their annual requirements as follows:

	Wife	Child
Rent (or repairs, taxes, etc. of home).....	\$1,800	\$.....
Clothing.....	600	500
Food.....	750	750
Water, heat and lights.....	100
Laundry.....	150	150
Servants.....	1,000
Fire and theft insurance.....	50
Automobile and travel.....	750	350
Charity.....	50	50
Incidentals, including doctor and dentist and taxes.....	750	200
Education.....	...	1,000
	\$6,000	\$3,000
Total income needed, including \$1,000 for contingencies.....	\$10,000	

A's insurance requirements can then be calculated as follows:

Total income needed by family.....	\$10,000
Principal sum required to produce that income on basis of 5% return	\$200,000

Other cash needed by estate:

Inheritance and estate taxes, and administration expenses	\$1,500
Current bills, last illness, etc.	2,500
For bequests	5,000
Other purposes	5,000

Total special cash requirements 14,000

Total principal estate needed...\$214,000

A's present assets consist of:

Stocks and bonds at present market value.....	\$50,000
Real estate, improved, at conservative value.....	50,000
Business interests, at quick sale price.....	25,000
Total	\$125,000
Less indebtedness, mortgages, loans etc. 15,000	

Net total \$110,000

Insurance now in force, less loans

\$50,000

Net total of estate at quick sale value

\$160,000

Insurance still required to meet family needs

54,000

It appears from the above analysis that in addition to the \$50,000 of insurance now carried by A, \$54,000 additional insurance is required to meet the needs of the estate. The problem of paying for insurance premiums, administering the estate, and distributing the insurance proceeds, has been reduced to a science. Without any hardship or inconvenience to A or his family, arrangements can be made by means of an insurance trust so that A may carry insurance that actually insures.

Insurance Agents Guide to Success Given by Sparger

S. W. Sparger, general agent for the State Mutual Life in Durham, N. C., is author of some succinct advice to agents, which he calls "The Insurance Agent's Guide to Success." It is:

Arrive at office at 8:30 a. m. (8 a. m. summer months; spend not less than seven hours daily in the field; make 10 calls or more—secure three good interviews every day; keep a record and make reports of calls and interviews; plan the next day's work the afternoon before; spend two hours two evenings a week in study; spend two evenings a week canvassing by appointment at prospect's home; make one new acquaintance every day; make first year commissions pay living expenses; invest your renewals in retirement income insurance."

interest in young men and boys. Many boys, he said, who played in his yard are now his customers.

Mr. Bayless makes a practice of writing letters on his personal stationery, not on that of his company, to men who are being promoted.

Mr. Bayless said he concentrates strictly on life insurance. "I don't want to know anything about fire or liability insurance because if I did I would know less about life insurance."

Mr. Bayless is active in civic affairs in Houston. He has given much attention to the community chest drives there. He never mixes his civic affair with insurance selling at the time he is actively working for the city, but he said he writes a lot of insurance after the drive is over. People are grateful for the time he has spent for the city and this is good advertising.

Functions of Life Insurance

The functions of life insurance as outlined in the San Francisco Life Underwriters Association training course by Karl L. Brackett, San Francisco general agent John Hancock Mutual Life, are:

Providing for support or betterment of dependents.

Providing retirement income for insured personally.

Providing a means of saving regularly over the period of a life time with a definite guaranteed terminal point.

Discharging obligations existing at death of insured.

Enabling postmortem taxes and other charges to be met promptly at death.

Offsetting depreciation due to liquidation of the estate or forced sale of investments to meet demands upon the estate.

Guaranteeing the education of children.

Assisting in securing business and personal credit.

Releasing the estate from business associations.

When Is a Salesman?

"You are not a salesman," the Great Southern Life observes, "when you are arranging your prospect cards; when you are walking down the street; when you join a group of idlers; when you are running household errands; when you sit in the prospect's office talking about the weather, but when you place a definite sales proposition before the prospect and ask him to buy, then you are a salesman."

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